FEDERAL REGISTER

VOLUME 18 NUMBER 63

Washington, Thursday, April 2, 1953

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10440

AMENDMENT OF CIVIL SERVICE RULE VI

By virtue of the authority vested in me by section 1753 of the Revised Statutes of the United States (5 U. S. C. 631) by the Civil Service Act of January 16, 1883 (22 Stat. 403) and by section 301 of title 3 of the United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. Civil Service Rule VI, as established by Executive Order No. 9830 of February 24, 1947, and as amended by Executive Order No. 9973 of June 28, 1948, is hereby further amended to read as follows:

RULE VI—EXCEPTIONS FROM THE COMPETITIVE SERVICE

§ 6.1 *Authority to except positions from the competitive service.* (a) The Commission is authorized to except from the competitive service and to place in appropriate schedules positions to which appointments through competitive examination are not practicable and, upon the recommendation of the agency concerned, positions which are of a confidential or policy-determining character. Such exceptions from the competitive service shall be effective upon publication thereof in the FEDERAL REGISTER. Positions excepted by the Commission shall be listed in the Commission's annual report for the fiscal year in which the exceptions are made.

(b) The Commission shall decide whether the duties of any particular position are such that it may be classified as an excepted position.

§ 6.2 *Classes of excepted positions.* The Commission shall classify positions that it excepts as follows:

Schedule A. Positions other than those of a confidential or policy-determining character for which it is not practicable to examine shall be placed in Schedule A.

Schedule B. Positions other than those of a confidential or policy-determining character for which it is not practicable to hold a competitive examination shall be placed in Schedule B. Appointments to these positions shall be subject to such noncompetitive examination as may be prescribed by the Commission.

Schedule C. Positions of a confidential or policy-determining character shall be placed in Schedule C.

§ 6.3 *Status of incumbents of excepted positions.* Persons given excepted appointments to positions listed in Schedules A, B, and C or to positions excepted from the competitive service by statute shall not acquire a competitive status by reason of such appointments. Persons appointed to such positions in the same manner as competitive positions are filled may acquire a competitive status in accordance with the Civil Service Rules and Regulations.

§ 6.4 *Removal of incumbents of excepted positions.* Except as may be required by the Veterans' Preference Act, the Civil Service Rules and Regulations shall not apply to removals from positions listed in Schedule C or from positions excepted from the competitive service by statute. The Civil Service Rules and Regulations shall apply to removals from positions listed in Schedules A and B of persons who have competitive status, however they may have been or may be appointed.

§ 6.5 *Assignment of excepted employees.* Persons who are appointed to excepted positions without competitive examination shall not be assigned to the work of a position in the competitive service without prior approval of the Commission.

§ 6.6 *Revocation of exceptions.* The Commission may remove any position from or may revoke in whole or in part any provision of Schedule A or B, and, with the concurrence of the agency concerned, may remove any position from or may revoke in whole or in part any provision of Schedule C. Such changes shall become effective upon publication thereof in the FEDERAL REGISTER.

SEC. 2. The Commission shall classify the positions now listed in Schedules A and B into Schedules A, B, and C as provided in this order. The positions in Schedules A and B as presently constituted shall continue therein until the

(Continued on next page)

CONTENTS

THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Federal Register Division, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U. S. C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The regulatory material appearing herein is keyed to the Code of Federal Regulations, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended June 19, 1937.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.50 per month or $15.00 per year, payable in advance. The charge for individual copies (minimum 15¢) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER.

CONTENTS—Continued

CONTENTS—Continued

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

Commission has taken action with respect to such positions under this order.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
March 31, 1953.

[F. R. Doc. 53-2881; Filed, Apr. 1, 1953; 11:34 a. m.]

EXECUTIVE ORDER 10441

CONTINUING IN EFFECT CERTAIN APPOINTMENTS AS OFFICERS AND WARRANT OFFICERS OF THE ARMY AND THE AIR FORCE

By virtue of the authority vested in me by section 1 (c) of the Emergency Powers Continuation Act, approved July 3, 1952 (66 Stat. 330), as amended, I hereby continue in effect until and including July 1, 1953, all appointments as officers and as warrant officers of the Army and of the Air Force of persons on active duty on March 31, 1953, who are determined, as provided in the Missing Persons Act (56 Stat. 143) as amended, to have been in a status of missing, missing in action, interned, captured, beleaguered, or besieged at any time after June 25, 1950, and before July 1, 1953, which under the following provisions of law would terminate after April 27, 1952, and before July 1, 1953:

1. Sections 37 and 38 of the act of June 3, 1916 (ch. 134, 39 Stat. 189, 190), as amended (10 U. S. C. 358, 32 U. S. C. 19) and section 127a of that act as added by the act of June 4, 1920 (ch. 227, 41 Stat. 785), as amended (10 U. S. C. 513)

2. Section 515 (e) of the act of August 7, 1947 (ch. 512, 61 Stat. 907, 10 U. S. C. 506d (e)).

3. Section 3 of the act of August 21, 1941 (ch. 384, 55 Stat. 652) as amended (10 U. S. C. 591a)

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
March 31, 1953.

[F. R. Doc. 53-2882; Filed, Apr. 1, 1953; 11:35 a. m.]

EXECUTIVE ORDER 10442

INSPECTION OF INCOME, EXCESS-PROFITS, DECLARED VALUE EXCESS-PROFITS, CAPITAL STOCK, ESTATE, AND GIFT TAX RETURNS BY THE SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

By virtue of the authority vested in me by sections 55 (a) 508, 603, 729 (a) and 1204 of the Internal Revenue Code (53 Stat. 29, 111, 171, 54 Stat. 989, 1008; 55 Stat. 722; 26 U. S. C. 55 (a) 508, 603, 729 (a) and 1204) it is hereby ordered that any income, excess-profits, declared value excess-profits, capital stock, estate, or gift tax return for any period to and including 1952 shall, during the Eighty-third Congress, be open to inspection by the Senate Committee on Interstate and Foreign Commerce, or the duly authorized subcommittee thereof, for the purpose of carrying out the provisions of Senate Resolution 41 (Eighty-third Congress, First Session) agreed to January 30, 1953, subject to the conditions stated in the Treasury decision[1] relating to the inspection of such returns by that Committee, approved by me this date.

This Executive order shall be effective upon its filing for publication in the FEDERAL REGISTER.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
March 31, 1953.

[F. R. Doc. 53-2883; Filed, Apr. 1, 1953; 11:35 a. m.]

RULES AND REGULATIONS

TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 975—MILK IN THE CLEVELAND, OHIO, MARKETING AREA

ORDER AMENDING ORDER, AS AMENDED, REGULATING HANDLING OF MILK IN CLEVELAND, OHIO, MARKETING AREA

§ 975.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order, as amended, and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900) a public hearing was held at Cleveland, Ohio, February 19, 1953, upon a proposed amendment to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Cleveland, Ohio, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended, and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is hereby found and determined that good cause exists for making effective not later than April 1, 1953, this order amending the said order, as amended. This action is necessary in the public interest in order to reflect current marketing conditions and to insure the production of an adequate supply of milk. Accordingly, any further delay in the effective date of this order, as amended, and as hereby further amended, will seriously impair orderly marketing of milk in the Cleveland, Ohio, marketing area. The provisions of the said amendatory order[2] are well known to handlers, the public hearing having been held February 19, 1953, and the decision having been executed by the Secretary on March 11, 1953. Reasonable time under the circumstances has been afforded persons affected to prepare for its effective date. Therefore, it would be impracticable, unnecessary, and contrary to the public interest to delay the effective date of this amendatory order 30 days after its publication in the FEDERAL REGISTER (see section 4 (c) Administrative Procedure Act, Pub. Law 404, 79th Cong., 60 Stat. 237)

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order, amending the order, which is marketed within the Cleveland, Ohio, marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area,[1] and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order is approved or favored by at least two-thirds of the producers who participated in a referendum and who, during the determined representative period (January 1953) were engaged in the production of milk for sale in the said marketing area.[1]

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Cleveland, Ohio, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order as amended, is hereby further amended as follows:

Amend § 975.63 (b) by adding the following: "*Provided,* That during the months of April, May, and June, 1953, such price shall be reduced by any amount that the price computed pursuant to § 975.60 (a) less 14 cents is below the price per hundredweight of milk testing 3.5 percent butterfat computed in accordance with paragraphs (a) and (b) of this section, exclusive of the proviso in paragraph (a) of this section."

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Issued at Washington, D. C., this 30th day of March 1953, to be effective on and after the 1st day of April 1953.

[SEAL] EZRA TAFT BENSON,
Secretary of Agriculture.

[F. R. Doc. 53-2783; Filed, Apr. 1, 1953; 8:52 a. m.]

[1] See Title 26, Chapter I, Part 458, *infra.*

[1] An obvious error in the order attached to the final decision, and incorporated by reference in the marketing agreement, was corrected by substituting the phrase "is below" for the word "exceeds". This correction was brought to the attention of handlers prior to their consideration of the marketing agreement and of producers prior to the referendum.

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes

[T. D. 5999; Regs. 111]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

COLLAPSIBLE CORPORATIONS

On October 9, 1952, notice of proposed rule making, regarding section 212 of the Revenue Act of 1950, approved September 23, 1950, and section 326 of the Revenue Act of 1951, approved October 20, 1951, was published in the FEDERAL REGISTER (17 F R. 9014) After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments set forth below are hereby adopted. Such amendments are necessary in order to conform Regulations 111 (26 CFR Part 29) to section 212 of the Revenue Act of 1950 and to section 326 of the Revenue Act of 1951.

PARAGRAPH 1. There is inserted immediately after § 29.117–10, as added by Treasury Decision 5881, approved February 11, 1952, the following:

SEC. 212. TREATMENT OF GAIN TO SHAREHOLDERS OF COLLAPSIBLE CORPORATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Collapsible corporations.* Section 117 (relating to capital gains or losses) is hereby amended by adding after subsection (l) (added by section 211 (a) of this Act) the following new subsection:

(m) *Collapsible corporations*—(1) *Treatment of gain to shareholders.* Gain from the sale or exchange (whether in liquidation or otherwise) of stock of a collapsible corporation, to the extent that it would be considered (but for the provisions of this subsection) as gain from the sale or exchange of a capital asset held for more than 6 months, shall, except as provided in paragraph (3), be considered as gain from the sale or exchange of property which is not a capital asset.

(2) *Definitions.* (A) For the purposes of this subsection, the term "collapsible corporation" means a corporation formed or availed of principally for the manufacture, construction, or production of property, or for the holding of stock in a corporation so formed or availed of, with a view to—

(i) The sale or exchange of stock by its shareholders (whether in liquidation or otherwise), or a distribution to its shareholders, prior to the realization by the corporation manufacturing, constructing, or producing the property of a substantial part of the net income to be derived from such property, and

(ii) The realization by such shareholders of gain attributable to such property.

(B) For the purposes of subparagraph (A), a corporation shall be deemed to have manufactured, constructed, or produced property, if—

(i) It engaged in the manufacture, construction, or production of such property to any extent,

(ii) It holds property having a basis determined, in whole or in part, by reference to the cost of such property in the hands of a person who manufactured, constructed, or produced the property, or

(iii) It holds property having a basis determined, in whole or in part, by reference to the cost of property manufactured, constructed, or produced by the corporation.

(3) *Limitations on application of subsection.* In the case of gain realized by a shareholder upon his stock in a collapsible corporation—

(A) This subsection shall not apply unless, at any time after the commencement of the manufacture, construction, or production of the property, such shareholder (i) owned (or was considered as owning) more than 10 per centum in value of the outstanding stock of the corporation, or (ii) owned stock which was considered as owned at such time by another shareholder who then owned (or was considered as owning) more than 10 per centum in value of the outstanding stock of the corporation;

(B) This subsection shall not apply to the gain recognized during a taxable year unless more than 70 per centum of such gain is attributable to the property so manufactured, constructed, or produced; and

(C) This subsection shall not apply to gain realized after the expiration of three years following the completion of such manufacture, construction, or production.

For purposes of subparagraph (A), the ownership of stock shall be determined in accordance with the rules prescribed by paragraphs (1), (2), (3), (5), and (6) of section 503 (a), except that, in addition to the persons prescribed by paragraph (2) of that section, the family of an individual shall include the spouses of that individual's brothers and sisters (whether by the whole or half blood) and the spouses of that individual's lineal descendants.

(b) *Effective date.* The amendment made by this section shall be applicable to taxable years ending after December 31, 1949, but shall apply only with respect to gain realized after such date. The determination of the tax treatment of gains realized prior to January 1, 1950, shall be made as if this section had not been enacted and without inferences drawn from the fact that the amendment made by this section is not expressly made applicable to gains realized prior to such date and without inferences drawn from the limitations contained in section 117 (m), added to the Internal Revenue Code by this section.

SEC. 326. COLLAPSIBLE CORPORATIONS (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Definitions with respect to collapsible corporations.* Section 117 (m) (2) (relating to definitions with respect to collapsible corporations) is hereby amended to read as follows:

(2) *Definitions.* (A) For the purposes of this subsection, the term "collapsible corporation" means a corporation formed or availed of principally for the manufacture, construction, or production of property, for the purchase of property which (in the hands of the corporation) is property described in subsection (a) (1) (A), or for the holding of stock in a corporation so formed or availed of, with a view to—

(i) The sale or exchange of stock by its shareholders (whether in liquidation or otherwise), or a distribution to its shareholders, prior to the realization by the corporation manufacturing, constructing, producing, or purchasing the property of a substantial part of the net income to be derived from such property, and

(ii) The realization by such shareholders of gain attributable to such property.

(B) For the purposes of subparagraph (A), a corporation shall be deemed to have manufactured, constructed, produced, or purchased property, if—

(i) It engaged in the manufacture, construction, or production of such property to any extent,

(ii) It holds property having a basis determined, in whole or in part, by reference to the cost of such property in the hands of a person who manufactured, constructed, produced, or purchased the property, or

(iii) It holds property having a basis determined, in whole or in part, by reference to the cost of property manufactured, constructed, produced, or purchased by the corporation.

(b) *Limitations on application of section 117 (m).* Subparagraphs (A), (B), and (C) of section 117 (m) (3) (relating to the limitations on the application of section 117 (m)) are hereby amended to read as follows:

(A) This subsection shall not apply unless, at any time after the commencement of the manufacture, construction, or production of the property, or at the time of the purchase of the property described in subsection (a) (1) (A) or at any time thereafter, such shareholder (i) owned (or was considered as owning) more than 10 per centum in value of the outstanding stock of the corporation, or (ii) owned stock which was considered as owned at such time by another shareholder who then owned (or was considered as owning) more than 10 per centum in value of the outstanding stock of the corporation;

(B) This subsection shall not apply to the gain recognized during a taxable year unless more than 70 per centum of such gain is attributable to the property so manufactured, constructed, produced, or purchased; and

(C) This subsection shall not apply to gain realized after the expiration of three years following the completion of such manufacture, construction, production, or purchase.

(c) *Effective date.* The amendments made by this section shall be applicable to taxable years ending after August 31, 1951, but shall be applicable only with respect to gains realized after such date. The determination of the tax treatment of gains realized prior to September 1, 1951, shall be made as if this section had not been enacted and without inferences drawn from the fact that the amendments to section 117 (m) made by this section are not expressly made applicable to gains realized prior to September 1, 1951, and without inferences drawn from the limitations contained in section 117 (m), as amended by this section.

§ 29.117–11 *Collapsible corporations*—(a) *In general.* With respect to taxable years ending after December 31, 1949, but only with respect to gain realized after such date, and subject to the limitations contained in paragraph (c) of this section, the entire gain from (1) the actual sale or exchange of stock of a collapsible corporation, (2) amounts distributed in complete or partial liquidation of a collapsible corporation which are treated, under section 115 (c), as payment in exchange for stock, and (3) a distribution made by a collapsible corporation which, under section 115 (d), is treated, to the extent it exceeds the basis of the stock, in the same manner as a gain from the sale or exchange of property, shall be considered as gain from the sale or exchange of property which is not a capital asset.

(b) *Determination of collapsible corporation.* (1) With respect to taxable years ending after December 31, 1949, but only with respect to gain realized after such date, a collapsible corporation is defined by section 117 (m) (2) (A) to be a corporation formed or availed of principally for the manufacture, construction, or production of property, or for the holding of stock in a corporation so formed or availed of, with a view to (i) the sale or exchange of stock by its shareholders (whether in liquidation or

otherwise) or a distribution to its shareholders, prior to the realization by the corporation manufacturing, constructing, or producing the property of a substantial part of the net income to be derived from such property, and (ii) the realization by such shareholders of gain attributable to such property. With respect to taxable years ending after August 31, 1951, but only with respect to gain realized after such date, the definition of a collapsible corporation under section 117 (m) (2) (A) is expanded to include a corporation formed or availed of principally for the purchase of property which (in the hands of the corporation) is property described in section 117 (a) (1) (A) or for the holding of stock in a corporation so formed or availed of, with a view to (i) the sale or exchange of stock by its shareholders (whether in liquidation or otherwise) or a distribution to its shareholders, prior to the realization by the corporation purchasing the property of a substantial part of the net income to be derived from such property, and (ii) the realization by such shareholders of gain attributable to such property.

(2) See paragraph (d) of this section for a description of the facts which will ordinarily be considered sufficient to establish whether or not a corporation is a collapsible corporation under the rules of this section. See paragraph (e) of this section for examples of the application of section 117 (m)

(3) Under section 117 (m) (2) (A) the corporation must be formed or availed of with a view to the action therein described, that is, the sale or exchange of its stock by its shareholders, or a distribution to them, prior to the realization by the corporation manufacturing, constructing, producing, or purchasing the property of a substantial part of the net income to be derived from such property, and the realization by the shareholders of gain attributable to such property. This requirement is satisfied in any case in which such action was contemplated by those persons in a position to determine the policies of the corporation, whether by reason of their owning a majority of the voting stock of the corporation or otherwise. The requirement is satisfied whether such action was contemplated unconditionally, conditionally, or as a recognized possibility. If the corporation was so formed or availed of, it is immaterial that a particular shareholder was not a shareholder at the time of the manufacture, construction, production, or purchase of the property, or if a shareholder at such time, did not share in such view, and any gain of such shareholder on his stock in the corporation shall be treated in the same manner as gain of a shareholder who did share in such view. See, however, the limitation contained in paragraph (c) (2) of this section. The existence of a bona fide business reason for doing business in the corporate form does not, by itself, negate the fact that the corporation may also have been formed or availed of with a view to the action described in section 117 (m) (2) (A)

(4) A corporation is formed or availed of with a view to the action described in section 117 (m) (2) (A) if the requisite view existed at any time during the manufacture, production, construction, or purchase referred to in that section. Thus, if the sale, exchange, or distribution is attributable solely to circumstances which arose after the manufacture, construction, production, or purchase (other than circumstances which reasonably could be anticipated at the time of such manufacture, construction, production, or purchase), the corporation shall, in the absence of compelling facts to the contrary, be considered not to have been so formed or availed of. However, if the sale, exchange, or distribution is attributable to circumstances present at the time of the manufacture, construction, production, or purchase, the corporation shall, in the absence of compelling facts to the contrary, be considered to have been so formed or availed of.

(5) The property referred to in section 117 (m) (2) (A) is that property or the aggregate of those properties with respect to which the requisite view existed. In order to ascertain the property or properties as to which the requisite view existed, reference shall be made to each property as to which, at the time of the sale, exchange, or distribution referred to in section 117 (m) (2) (A) there has not been a realization by the corporation manufacturing, constructing, producing, or purchasing the property of a substantial part of the net income to be derived from such property. However, where any such property is a unit of an integrated project involving several properties similar in kind, the determination whether the requisite view existed shall be made only if a substantial part of the net income to be derived from the project has not been realized at the time of the sale, exchange, or distribution, and in such case the determination shall be made by reference to the aggregate of the properties constituting the single project.

(6) A corporation shall be deemed to have manufactured, constructed, produced, or purchased property if it (i) engaged in the manufacture, construction, or production of property to any extent, or (ii) holds property having a basis determined, in whole or in part, by reference to the cost of such property in the hands of a person who manufactured, constructed, produced, or purchased the property, or (iii) holds property having a basis determined, in whole or in part, by reference to the cost of property manufactured, constructed, produced, or purchased by the corporation. Thus, under subdivision (i) of this subparagraph, for example, a corporation need not have originated nor have completed the manufacture, construction, or production of the property. Under subdivision (ii) of this subparagraph, for example, if an individual were to transfer property constructed by him to a corporation in exchange for all of the capital stock of such corporation, and such transfer qualifies under section 112 (b) (5), then the corporation would be deemed to have constructed the property, since the basis of the property in the hands of the corporation would, under section 113 (a) (8), be determined by reference to the basis of the property in the hands of the individual. Under subdivision (iii) of this subparagraph, for example, if a corporation were to exchange property constructed by it for property of like kind constructed by another person, and such exchange qualifies under section 112 (b) (1), then the corporation would be deemed to have constructed the property received by it in the exchange, since the basis of the property received by it in the exchange would, under section 113 (a) (6) be determined by reference to the basis of the property constructed by the corporation.

(7) In determining whether a corporation is a collapsible corporation by reason of the purchase of property, it is immaterial whether the property is purchased from the shareholders of the corporation or from persons other than such shareholders. The property, however, must be property which, in the hands of the corporation, is property of a kind described in section 117 (a) (1) (A). Section 117 (a) (1) (A) describes the following property: Stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business. The determination whether property is of a kind described in section 117 (a) (1) (A) shall be made without regard to the fact that the corporation is formed or availed of with a view to the action described in section 117 (m) (2) (A)

(8) Section 117 (m) is applicable whether the shareholder is an individual, a trust, an estate, a partnership, a company, or a corporation.

(c) *Limitations on application of section*—(1) *General.* This section shall apply only to the extent that the recognized gain of a shareholder upon his stock in a collapsible corporation would be considered, but for the provisions of this section, as gain from the sale or exchange of a capital asset held for more than six months. Thus, if a taxpayer sells at a gain stock of a collapsible corporation which he has held for six months or less, this section would not, in any event, apply to such gain. Also, if it is determined, under provisions of law other than section 117 (m) that a sale or exchange at a gain of stock of a collapsible corporation which has been held for more than six months results in ordinary income rather than long-term capital gain, then this section (including the limitations contained herein) has no application whatsoever to such gain.

(2) *Stock ownership rules.* (i) This section shall apply in the case of gain realized by a shareholder upon his stock in a collapsible corporation only if the shareholder, at any time after the actual commencement of the manufacture, construction, or production of the property, or at the time of the purchase of the property described in section 117 (a) (1) (A) or at any time thereafter, (*a*) owned, or was considered as owning, more than 10 percent in value of the outstanding stock of the corporation, or (*b*) owned stock which was considered as owned at such time by another shareholder

who then owned, or was considered as owning, more than 10 percent in value of the outstanding stock of the corporation.

(ii) The ownership of stock shall be determined in accordance with the rules prescribed by section 503 (a) (1) (2) (3) (5) and (6) except that, in addition to the persons prescribed by section 503 (a) (2) the family of an individual shall include the spouses of that individual's brothers and sisters, whether such brothers and sisters are by the whole or the half blood, and the spouses of that individual's lineal descendants.

(iii) For the purpose of this limitation, treasury stock shall not be considered as outstanding stock.

(iv) It is possible, under this limitation, that a shareholder in a collapsible corporation may have gain upon his stock in that corporation treated differently from the gain of another shareholder in the same collapsible corporation.

(3) *Seventy-percent rule.* (i) This section shall apply to the gain recognized during a taxable year upon the stock in a collapsible corporation only if more than 70 percent of such gain is attributable to the property referred to in section 117 (m) (2) (A) If more than 70 percent of such gain is so attributable, then all of such gain is subject to this section, and, if 70 percent or less of such gain is so attributable, then none of such gain is subject to this section.

(ii) For the purpose of this limitation, the gain attributable to the property referred to in section 117 (m) (2) (A) is the excess of the recognized gain of the shareholder during the taxable year upon his stock in the collapsible corporation over the recognized gain which the shareholder would have if the property had not been manufactured, constructed, produced, or purchased. In the case of gain on a distribution in partial liquidation or a distribution described in section 115 (d) the gain attributable to the property shall not be less than an amount which bears the same ratio to the gain on such distribution as the gain which would be attributable to the property if there had been a complete liquidation at the time of such distribution bears to the total gain which would have resulted from such complete liquidation.

(iii) Gain may be attributable to the property referred to in section 117 (m) (2) (A) even though such gain is represented by an appreciation in the value of property other than that manufactured, constructed, produced, or purchased. Where, for example, a corporation owns a tract of land and the development of one-half of the tract increases the value of the other half, the gain attributable to the developed half of the tract includes the increase in the value of the other half.

(4) *Three-year rule.* This section shall not apply to that portion of the gain of a shareholder that is realized more than three years after the actual completion of the manufacture, construction, production, or purchase of the property to which such portion is attributable.

(d) *Application of section.* (1) (i) Whether or not a corporation is a collapsible corporation shall be determined under the rules of paragraph (b) of this section on the basis of all the facts and circumstances in each particular case. Subparagraphs (2) and (3) of this paragraph set forth those facts which will ordinarily be considered sufficient to establish that a corporation is or is not a collapsible corporation. The facts set forth in the subparagraphs (2) and (3) of this paragraph are not exclusive of other facts which may be controlling in any particular case. For example, if the facts in subparagraph (2) of this paragraph, but not the facts in subparagraph (3) of this paragraph, are present, the corporation may nevertheless not be a collapsible corporation if there are other facts which clearly establish that the rules of paragraph (b) of this section are not satisfied. Similarly if the facts in subparagraph (3) of this paragraph are present, the corporation may nevertheless be a collapsible corporation if there are other facts which clearly establish that the corporation was formed or availed of in the manner described in paragraph (b) of this section, or if the facts in subparagraph (3) of this paragraph are not significant by reason of other facts, such as the fact that the corporation is subject to the control of persons other than those who were in control immediately prior to the manufacture, construction, production, or purchase of the property.

(ii) See paragraph (c) of this section for provisions which make section 117 (m) inapplicable to certain shareholders of collapsible corporations.

(2) The following facts will ordinarily be considered sufficient (except as otherwise provided in subparagraph (1) of this paragraph and subparagraph (3) of this paragraph) to establish that a corporation is a collapsible corporation:

(i) A shareholder of the corporation sells or exchanges his stock, or receives a liquidating distribution, or a distribution described in section 115 (d)

(ii) Upon such sale, exchange, or distribution, such shareholder realizes gain attributable to the property described in subdivisions (iv) and (v) of this subparagraph, and

(iii) At the time of the manufacture, construction, production, or purchase of the property described in subdivisions (iv) and (v) of this subparagraph, such activity was substantial in relation to the other activities of the corporation which manufactured, constructed, produced, or purchased such property.

The property referred to in subdivisions (ii) and (iii) of this subparagraph is that property or the aggregate of those properties which meet the following two requirements:

(iv) The property is manufactured, constructed, or produced by the corporation or by another corporation stock of which is held by the corporation, or is property purchased by the corporation or by such other corporation which (in the hands of the corporation holding such property) is property described in section 117 (a) (1) (A) (relating to stock in trade, inventories, and property held primarily for sale to customers), and

(v) At the time of the sale, exchange, or distribution described in subdivision (i) of this subparagraph, the corporation which manufactured, constructed, produced, or purchased such property has not realized a substantial part of the net income to be derived from such property.

In the case of property which is a unit of an integrated project involving several properties similar in kind, the rules of this paragraph shall be applied to the aggregate of the properties constituting the single project rather than separately to such unit. Under the rules of this paragraph, a corporation shall be considered a collapsible corporation by reason of holding stock in other corporations which manufactured, constructed, produced, or purchased the property only if the activity of the corporation in holding stock in such other corporations is substantial in relation to the other activities of the corporation.

(3) The absence of any of the facts set forth in subparagraph (2) of this paragraph or the presence of the following facts will ordinarily be considered sufficient (except as otherwise provided in subparagraph (1) of this paragraph) to establish that a corporation is not a collapsible corporation:

(i) In the case of a corporation subject to the rules of subparagraph (2) of this paragraph only by reason of the manufacture, construction, production, or purchase (either by the corporation or by another corporation the stock of which is held by the corporation) of property which is property described in section 117 (a) (1) (A) the amount (both in quantity and value) of such property is not in excess of the amount which is normal:

(*a*) For the purpose of the business activities of the corporation which manufactured, constructed, produced, or purchased the property if such corporation has a substantial prior business history involving the use of such property and continues in business, or

(*b*) For the purpose of an orderly liquidation of the business if the corporation which manufactured, constructed, produced, or purchased such property has a substantial prior business history involving the use of such property and is in the process of liquidation.

(ii) In the case of a corporation subject to the rules of subparagraph (2) of this paragraph with respect to the manufacture, construction, or production (either by the corporation or by another corporation the stock of which is held by the corporation) of property, the amount of the unrealized net income from such property is not substantial in relation to the amount of the net income realized (after the completion of a material part of such manufacture, construction, or production, and prior to the sale, exchange, or distribution referred to in subparagraph (2) (i) of this paragraph) from such property and from other property manufactured, constructed, or produced by the corporation.

(e) *Examples.* The following examples will illustrate the application of this section:

Example (1). On January 2, 1951, A formed the W corporation and contributed $50,000 cash in exchange for all of the stock thereof. The W corporation borrowed $900,000 from a bank, the loan being insured by the Federal Housing Authority, and used $800,000 of such sum in the construction of an apartment house on land which it purchased for $50,000. The apartment house was completed on December 31, 1951. On December 31, 1951, the corporation, having determined that the fair market value of the apartment house, separate and apart from the land, was $900,000, made a distribution (permitted under the applicable state law) to A of $100,000. At this time, the fair market value of the land was $50,000. As of December 31, 1951, the corporation has not realized any earnings and profits. In 1952, the corporation began the operation of the apartment house and received rentals therefrom. The corporation has since continued to own and operate the building. The corporation reported on the basis of the calendar year and cash receipts and disbursements.

Since A received a distribution and realized a gain attributable to the building constructed by the corporation, since, at the time of such distribution, the corporation has not realized a substantial part of the net income to be derived from such building, and since the construction of the building was a substantial activity of the corporation, the W corporation is considered a collapsible corporation under (d) (2) of this section. The provisions of section 117 (m) (3) do not prohibit the application of section 117 (m) (1) to A. Therefore, the distribution, if and to the extent that it may be considered long-term capital gain rather than ordinary income without regard to section 117 (m), will be considered ordinary income under section 117 (m) (1).

In the event of the existence of additional facts and circumstances in the above case, the corporation, notwithstanding the above facts, might not be considered a collapsible corporation. See paragraphs (b) and (d) (1) of this section.

Example (2). On January 2, 1950, B formed the X corporation and became the sole shareholder thereof. This corporation completed the construction of an office building in 1950. Immediately after the completion of the building, the corporation sold this building at a gain of $50,000, included this entire gain in its return for 1950, and distributed this entire gain (less taxes) to B. The corporation completed the construction of a second office building in June 1951. In August 1951, B sold the entire stock of the X corporation at a gain of $12,000, which gain is attributable to the second building.

In view of the fact that B sold stock of the X corporation and realized a gain attributable to the second office building, that, at the time of such sale, the corporation had not realized a substantial part of the net income to be derived from such building, and that the construction of such building during the time of such construction was a substantial activity of the corporation, the X corporation is considered a collapsible corporation under paragraph (d) (2) of this section. Since the provisions of section 117 (m) (3) do not prohibit the application of section 117 (m) (1) to B, the gain of $12,000 to B is, accordingly, considered ordinary income.

Example (3). The facts in this example are the same as in example (2), except that the following facts are shown: B was the president of the X corporation and active in the conduct of its business. The second building was constructed as the first step in a project of the X corporation for the development for rental purposes of a large suburban center involving the construction of several buildings by the corporation. The sale of the stock by B was caused by his retiring from all business activity as a result of illness arising after the second building was constructed. Under these additional facts, the corporation is not considered a collapsible corporation. See paragraphs (b) and (d) (1) of this section.

Example (4). On January 2, 1947, C formed the Y corporation and became the sole shareholder thereof. The Y corporation has been engaged solely in the business of producing motion pictures and licensing their exhibition. On January 2, 1952, C sold all of the stock of the Y corporation at a gain. The Y corporation has produced one motion picture each year since its organization and prior to January 2, 1952, it has realized a substantial part of the net income to be derived from each of its motion pictures except the last one made in 1951. This last motion picture was completed September 1, 1951. As of January 2, 1952, no licence had been made for its exhibition. The fair market value on January 2, 1952, of this last motion picture exceeds the cost of its production by $50,000. A material part of the production of this last picture was completed on January 1, 1951, and between that date and January 2, 1952, the corporation had realized net income of $500,000 from other motion pictures produced by it. The corporation has consistently distributed to its shareholder its net income when received (after adjustment for taxes).

Although the corporation is within paragraph (d) (2) of this section with respect to the production of property, the amount of the unrealized net income from such property ($50,000) is not substantial in relation to the amount of the net income realized, after the completion of a material part of the production of such property and prior to sale of the stock, from such property and other property produced by the corporation ($500,000). Accordingly, the Y corporation is within paragraph (d) (3) (ii) of this section, and is not considered a collapsible corporation.

Example (5). The facts are the same as in example (4) except that C sold all of his stock to D on February 1, 1951. On January 2, 1952, D sold all of the Y corporation stock at a gain, the gain being attributable to the picture completed September 1, 1951, and not released by the corporation for exhibition. In view of the change of control of the corporation, the provisions of paragraph (d) (3) (ii) are not significant at the time of the sale by D, and the Y corporation would be considered a collapsible corporation on January 2, 1952. See paragraphs (b) and (d) (1) of this section.

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] JUSTIN F. WINKLE,
Acting Commissioner of Internal Revenue.

Approved: March 26, 1953.

M. B. FOLSOM,
Acting Secretary of the Treasury.

[F. R. Doc. 53-2731; Filed, Apr. 1, 1953; 8:51 a. m.]

[T. D. 6000; Regs. 111]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

DEFINITION OF REGULATED INVESTMENT COMPANY AMENDED TO INCLUDE CERTAIN VENTURE CAPITAL REGISTERED MANAGEMENT INVESTMENT COMPANIES

On December 4, 1952, notice of proposed rule making with respect to section 337 of the Revenue Act of 1951, approved October 20, 1951, was published in the FEDERAL REGISTER (17 F. R. 10972) After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments to Regulations 111 (26 CFR, Part 29) set forth below are hereby adopted.

PARAGRAPH 1. There is inserted immediately preceding § 29.361–1 the following:

SEC. 337. TAX TREATMENT OF CERTAIN INVESTMENT COMPANIES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Inclusion of certain registered management companies in the definition of regulated investment company.* Section 361 (relating to definition of regulated investment companies) is hereby amended by adding at the end thereof the following new subsection:

(c) *Certain investment companies.* If the Securities and Exchange Commission determines in accordance with regulations issued by it, and certifies to the Secretary not more than 60 days prior to the close of the taxable year of a registered management investment company, that such investment company is principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available, such investment company may, in the computation of 50 per centum of the value of its assets under subparagraph (A) of subsection (b) (3) for any quarter of such taxable year, include the value of any securities of an issuer, notwithstanding the fact that such investment company holds more than 10 per centum of the outstanding voting securities of such issuer, but only if the investment company has not continuously held any security of such issuer (or of any predecessor company of such issuer as determined under regulations prescribed by the Secretary) for 10 or more years preceding such quarter of such taxable year. The provisions of this subsection shall not apply at the close of any quarter of a taxable year to an investment company if at the close of such quarter more than 25 per centum of the value of its total assets is represented by securities of issuers with respect to each of which the investment company holds more than 10 per centum of the outstanding voting securities of such issuer and in respect of each of which or any predecessor thereof the investment company has continuously held any security for 10 or more years preceding such quarter unless the value of its total assets so represented is reduced to 25 per centum or less within 30 days after the close of such quarter. The terms used in this subsection shall have the same meaning as in subsection (b) (3) of this section. For the purposes of this subsection, unless the Securities and Exchange Commission determines otherwise, a corporation shall be considered to be principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available, for at least 10 years after the date of the first acquisition of any security in such corporation or any predecessor thereof by such investment company if at the date of such acquisition the corporation or its predecessor was principally so engaged, and an investment company shall be considered at any date to be furnishing capital to any company whose securities it holds if within 10 years prior to such date it has acquired any of such securities, or any securities surrendered in exchange therefore, from such other company or predecessor thereof. For the purposes of the certification hereunder, the Securities and Exchange Commission shall have authority to issue such rules, regulations and orders, and to conduct such investigations and hearings, either public or private, as it may deem appropriate.

(b) *Technical amendment.* Section 361 (b) (3) (A) is hereby amended by inserting after "the total assets of the taxpayer and" the following: " except and to the extent provided in subsection (c),"

(c) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning after December 31, 1950.

PAR. 2. Section 29.361–1 is amended as follows:

(A) By redesignating present subparagraphs (1) through (3) of paragraph (b) as subdivisions (i) (ii) and (iii) and by striking out the period and dash in the headnote of paragraph (b) of the section and inserting in lieu thereof the following: "—(1) *In general.*"

(B) By inserting in the second sentence of paragraph (b) of the section, immediately after "5 percent of the value of the total assets of the corporation and" the following: " except and to the extent provided in section 361 (c) in the case of certain venture capital registered management investment companies qualifying thereunder,"

(C) By adding at the end of paragraph (b) of the section the following:

(2) *Venture capital registered management investment companies.* (i) Section 361 (c) provides, for taxable years beginning after December 31, 1950, that under certain conditions set forth below a registered management investment company which has been certified by the Securities and Exchange Commission for the taxable year may, in the computation of 50 percent of the value of its assets under clause (A) of section 361 (b) (3) for any quarter of such taxable year, include, with respect to securities other than Government securities or securities of other regulated investment companies, the value of any securities of an issuer, notwithstanding the fact that such registered management investment company holds more than 10 percent of the outstanding voting securities of such issuer, but only if the investment company has not continuously held any security of such issuer or of any predecessor company of such issuer for 10 or more years preceding such quarter of such taxable year. All other provisions and requirements of section 361 and the regulations thereunder are applicable in determining whether such registered management investment company qualifies as a regulated investment company within the meaning of such section.

(ii) The provisions of section 361 (c) are applicable only to a registered management investment company which the Securities and Exchange Commission has determined, in accordance with regulations issued by it, and has certified to the Secretary, not more than 60 days prior to the close of the taxable year of such investment company, to be principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available. For the purpose of the aforementioned determination and certification, unless the Securities and Exchange Commission determines otherwise, a corporation shall be considered to be principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available, for at least 10 years after the date of the first acquisition of any security in such corporation or any predecessor thereof by such investment company if at the date of such acquisition the corporation or its predecessor was principally so engaged, and an investment company shall be considered at any date to be furnishing capital to any company whose securities it holds if within 10 years prior to such date it has acquired any of such securities, or any securities surrendered in exchange therefor, from such other company or its predecessor.

(iii) Section 361 (c) does not apply in the quarterly computation of 50 percent of the value of the assets of an investment company under clause (A) of section 361 (b) (3) for any taxable year if at the close of any quarter of such taxable year more than 25 percent of the value of its total assets (including the 50 percent or more mentioned in such clause (A)) is represented by securities (other than Government securities or the securities of other regulated investment companies) of issuers as to each of which (*a*) such investment company holds more than 10 percent of the outstanding voting securities of such issuer and (*b*) such investment company has continuously held any security of such issuer (or any security of a predecessor of such issuer) for 10 or more years preceding such quarter, unless the value of its total assets so represented is reduced to 25 percent or less within 30 days after the close of such quarter.

(iv) As used in section 361 (c) and this subparagraph, the term "predecessor company" means any corporation the basis of whose securities in the hands of the investment company was, under the provisions of section 113, the same in whole or in part as the basis of any of the securities of the issuer and any corporation with respect to whose securities any of the securities of the issuer were received directly or indirectly by the investment company in a transaction or series of transactions involving nonrecognition of gain or loss, in whole or in part. The other terms used in this subparagraph have the same meaning as when used in section 361 (b) (3) (see subparagraph (1) of this paragraph)

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

Approved: March 26, 1953.

M. B. FOLSOM,
Acting Secretary of the Treasury.

[F. R. Doc. 53–2782; Filed, Apr. 1, 1953; 8:52 a. m.]

Subchapter E—Administrative Provisions Common to Various Taxes

[T. D. 6001]

PART 458—INSPECTION OF RETURNS

INSPECTION OF INCOME, EXCESS-PROFITS, DECLARED VALUE EXCESS-PROFITS, CAPITAL STOCK, ESTATE, AND GIFT TAX RETURNS BY THE SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

MARCH 23, 1953.

§ 458.317 *Inspection of returns by Senate Committee on Interstate and Foreign Commerce during 83d Congress.* (a) (1) Pursuant to the provisions of sections 55 (a) 508, 603, 729 (a), and 1204 of the Internal Revenue Code (53 Stat. 29, 111, 171, 54 Stat. 989, 1008; 55 Stat. 722; 26 U. S. C. 55 (a), 508, 603, 729 (a) and 1204) and of the Executive order[1] issued thereunder, any income, excess-profits, declared value excess-profits, capital stock, estate, or gift tax return for any period to and including 1952 shall, during the Eighty-third Congress, be open to inspection by the Senate Committee on Interstate and Foreign Commerce, or the duly authorized subcommittee thereof, for the purpose of carrying out the provisions of Senate Resolution 41 (Eighty-third Congress, First Session), agreed to January 30, 1953.

(2) The inspection of returns herein authorized may be made by the Committee, or the duly authorized subcommittee thereof, acting directly as a Committee or as a subcommittee, or by or through such examiners or agents as the Committee or the subcommittee may designate or appoint in its written request hereinafter mentioned. Upon written request by the Chairman of the Committee or of the authorized subcommittee to the Secretary of the Treasury, giving the names and addresses of the taxpayers whose returns it is necessary to inspect and the taxable periods covered by the returns, the Secretary and any officer or employee of the Treasury Department shall furnish such Committee or subcommittee with any data relating to or contained in any such return, or shall make such return available for inspection by the Committee or the subcommittee or by such examiners or agents as the Committee or the subcommittee may designate or appoint, in the office of the Commissioner of Internal Revenue. Any information thus obtained by the Committee or the subcommittee thereof shall be held confidential: *Provided, however,* That any portion or portions thereof relevant or pertinent to the purpose of the investigation may be submitted by the Committee to the United States Senate.

(b) Because of the immediate need of the said Committee to inspect the tax returns herein mentioned, it is found that it is impracticable and contrary to the public interest to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective

[1] See Title 3, Executive Order 10442, *supra.*

date limitation of section 4 (c) of that act.

(c) This section shall be effective upon its filing for publication in the FEDERAL REGISTER.

G. M. HUMPHREY,
Secretary of the Treasury.

Approved: March 31, 1953.

DWIGHT D. EISENHOWER,
The White House.

[F. R. Doc. 53-2884; Filed, Apr. 1, 1953; 11:35 a. m.]

TITLE 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 692—RAILROAD, RAILWAY EXPRESS, AND PROPERTY MOTOR TRANSPORT INDUSTRY IN PUERTO RICO

MINIMUM WAGE ORDER

Pursuant to the Administrative Procedure Act (60 Stat. 237, 5 U. S. C. 1001) notice was published in the FEDERAL REGISTER on March 7, 1953 (18 F. R. 1335) of my decision to approve the minimum wage recommendations of Special Industry Committee No. 12 of Puerto Rico for the railroad, railway express, and property motor transport industry in Puerto Rico, and the revised wage order for that industry which I proposed to issue to carry such recommendations into effect was published therewith. Interested parties were given an opportunity to submit exceptions within 15 days from the date of publication of the notice. Exceptions were filed by the Chamber of Commerce; Messrs. J. Pedro Miranda and Paul H. Stawinski, attorneys for certain concerns in the railway express and property motor transport division of the industry; the Federacion Del Comercio De Puerto Rico, San Juan, Puerto Rico; the Asociacion De Industriales De Puerto Rico; and the Asociacion De Duenos De Camiones De Puerto Rico, Bayamon, Puerto Rico. All of the arguments contained in the exceptions were considered by me at the time I made my original decision in this matter.

After careful consideration of each of the arguments contained in these exceptions, I find nothing which would require any change or modification of my proposed decision. It was noted in one of the exceptions that it was stated in the findings and opinion, dated March 4, 1953, which I issued in connection with my decision in this matter, that the public hearing on the Committee's recommendations was held before Hearing Examiner E. West Parkinson. This was inadvertent. The hearing was held before Hearing Examiner Clifford P. Grant, and my findings and opinion and decision are based upon the record made at such hearing. Certain of the exceptions contain requests for the reopening of the hearings in this matter. However, no basis for reopening the hearing has been shown and such requests are, therefore, denied.

Accordingly, pursuant to authority under the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U. S. C. 201) my decision in this matter as set forth in my findings and opinion dated March 4, 1953, and in the notice referred to above, is hereby affirmed and made final, the recommendations of Special Industry Committee No. 12 for Puerto Rico for the railroad, railway express, and property motor transport industry in Puerto Rico are hereby approved, and the wage order contained in this part is hereby revised to read as set forth in the March 7, 1953, issue of the FEDERAL REGISTER (18 F. R. 1335) to become effective on the 4th day of May 1953.

Sec.
692.1 Wage rates.
692.2 Notices of order.
692.3 Definitions of the railroad, railway express, and property motor transport industry in Puerto Rico and its divisions.

AUTHORITY: §§ 692.1 to 692.3 issued under sec. 8, 52 Stat. 1064; 29 U. S. C. 208.

§ 692.1 *Wage rates.* (a) Wages at a rate of not less than 33 cents per hour shall be paid under section 6 of the Fair Labor Standards Act of 1938, as amended, by every employer to each of his employees in the railroad division of the railroad, railway express, and property motor transport industry in Puerto Rico who is engaged in commerce or in the production of goods for commerce.

(b) Wages at a rate of not less than 60 cents per hour shall be paid under section 6 of the Fair Labor Standards Act of 1938, as amended, by every employer to each of his employees in the railway express and property motor transport division of the railroad, railway express, and property motor transport industry in Puerto Rico who is engaged in commerce or in the production of goods for commerce.

§ 692.2 *Notices of order.* Every employer employing any employees so engaged in commerce or in the production of goods for commerce in the railroad, railway express, and property motor transport industry in Puerto Rico shall post and keep posted in a conspicuous place in each department of his establishment where such employees are working such notices of this order as shall be prescribed from time to time by the Wage and Hour Division of the United States Department of Labor and shall give such other notice as the Division may prescribe.

§ 692.3 *Definitions of the railroad, railway express, and property motor transport industry in Puerto Rico and its divisions.* (a) The railroad, railway express, and property motor transport industry to which this part shall apply, is hereby defined at follows:

(1) The industry carried on in Puerto Rico by any railroad carrier under public franchise which holds itself out to the general public to engage in the transportation of passengers or property for compensation.

(2) The industry carried on in Puerto Rico by any railway express or other express company which holds itself out to the general public to engage in the transportation of property for compensation.

(3) The industry carried on in Puerto Rico consisting of the transportation of property by motor vehicle for compensation: *Provided, however* That this definition shall not include railroad transportation activities carried on by a producer of raw sugar, cane juice, molasses or refined sugar, and incidental by-products (or by any firm owned or controlled by, or owning and controlling such producer, or by any firm owned or controlled by the parent company of such producer) where the railroad transportation activities are in whole or in part used for the production or shipment of these products.

(b) The separable divisions of the industry, as defined in paragraph (a) of this section, to which this part shall apply, are hereby defined as follows:

(1) *Railroad division.* This division consists of the industry carried on in Puerto Rico by any railroad carrier under public franchise which holds itself out to the general public to engage in the transportation of passengers or property for compensation.

(2) *Railway express and property motor transport division.* This division consists of (i) the industry carried on in Puerto Rico by any railway express or other express company which holds itself out to the general public to engage in the transportation of property for compensation, and (ii) the industry carried on in Puerto Rico consisting of the transportation of property by motor vehicle for compensation.

Signed at Washington, D. C., this 27th day of March 1953.

WM. R. MCCOMB,
Administrator,
Wage and Hour Division.

[F. R. Doc. 53-2755; Filed, Apr. 1, 1953; 8:46 a. m.]

TITLE 41—PUBLIC CONTRACTS

Chapter II—Division of Public Contracts, Department of Labor

PART 201—GENERAL REGULATIONS

MISCELLANEOUS AMENDMENTS

The amendments of the Public Contracts Act Regulations set forth herein are in furtherance of the Departmental policy of establishing uniformity of administration of the Walsh-Healey Public Contracts Act and the Fair Labor Standards Act to the full extent permitted by the two statutes. Their purpose is to make clear that the exclusion of executive, administrative and professional employees is considered identical under the two acts, that the basic hourly rate to be used in computing overtime compensation under the Public Contracts Act is equivalent to the regular rate of pay for overtime purposes under the Fair Labor Standards Act, and that the computation of hours worked is identical under the two acts.

The amendment to § 201.1102 is an editorial revision of the currently effective section dealing with employment of handicapped workers at wages below the applicable minimum wage. The revised section points out that homework by handicapped clients of sheltered

workshops may be permitted in performance of Government contracts in accordance with regulations of the Administrator of the Wage and Hour Division issued pursuant to section 14 of the Fair Labor Standards Act, as amended, (29 CFR Part 525)

In view of the fact that these changes are either editorial in nature or are for conformance of the administration of the two acts in their application to Government contract work, it has been determined that no public procedure relative to these amendments is necessary and that they shall become effective on publication in the FEDERAL REGISTER.

Pursuant to the authority vested in me by the Walsh-Healey Public Contracts Act this part is hereby amended as hereinafter stated:

1. Section 201.102 is amended to read as follows:

§ 201.102 *Employees affected.* The stipulations shall be deemed applicable only to employees engaged in or connected with the manufacture, fabrication, assembling, handling, supervision, or shipment of materials, supplies, articles, or equipment required under the contract, and shall not be deemed applicable to employees performing only office or custodial work, nor to any employee employed in a bona-fide executive, administrative, or professional capacity, as those terms are defined and delimited by the regulations (29 CFR Part 541) applicable during the period of performance of the contract under section 13 (a) (1) of the Fair Labor Standards Act of 1938, as amended.

2. Paragraphs (b) and (d) of § 201.103 are amended to read as follows:

§ 201.103 *Overtime.* * * *

(b) Until otherwise set by the Secretary of Labor the rate of pay for such overtime shall be one and one-half times the basic hourly rate received by the employee. The "basic hourly rate" means an hourly rate equivalent to the rate upon which time-and-one half overtime compensation may be computed and paid under section 7 of the Fair Labor Standards Act of 1938, as amended. The basic hourly rate may, in no case, be less than the applicable minimum wage.

* * * * *

(d) The overtime pay requirements of this section shall be deemed to be complied with in the case of any employee employed as provided in section 7 (b) of the Fair Labor Standards Act of 1938, as amended, pursuant to the provisions of paragraph (1) or (2) of that section.

3. A new § 201.106, is added as follows:

§ 201.106 *Hours worked.* In determining the hours for which an employee is employed, there shall be excluded any time which is excluded by section 3 (o) of the Fair Labor Standards Act of 1938, as amended, from the computation of hours worked for purposes of sections 6 and 7 of that act.

4. Section 201.1102 is amended to read as follows:

§ 201.1102 *Tolerance for handicapped workers.* (a) Workers whose earning capacity is impaired by age or physical or mental deficiency or injury may be employed either in commercial establishments or as handicapped clients of sheltered workshops at wages lower than the prevailing minimum wage applicable under section 1 (b) of the Public Contracts Act upon the same terms and conditions as are prescribed for the employment of handicapped persons and of handicapped clients of sheltered workshops under section 14 of the Fair Labor Standards Act of 1938, as amended, and by the regulations of the Administrator of the Wage and Hour Division of the Department of Labor issued thereunder (29 CFR Parts 524, 525)

(b) Any certificate issued pursuant to such regulations, authorizing the employment of a handicapped worker under the Fair Labor Standards Act shall constitute authorization for the employment of that worker under the Public Contracts Act in accordance with the terms of the certificate.

(c) The Administrator of the Public Contracts Division is authorized to issue certificates under the Public Contracts Act for the employment of handicapped workers not subject to the Fair Labor Standards Act or subject to different minimum rates of pay under the two acts, at appropriate rates of compensation and in accordance with the standards and procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act.

(Sec. 4, 49 Stat. 2038; 41 U. S. C. 38. Interpret or apply sec. 6, 49 Stat. 2038 as amended; 41 U. S. C. 40)

Signed at Washington, D. C., this 27th day of March 1953.

MARTIN P DURKIN,
Secretary of Labor

[F. R. Doc. 53-2754; Filed, Apr. 1, 1953; 8:46 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Subchapter B—Carriers by Motor Vehicle

[No. MC-C-1]

PART 170—COMMERCIAL ZONES AND TERMINAL AREAS

ST. LOUIS, MO.-EAST ST. LOUIS, ILL., COMMERCIAL ZONE; POSTPONEMENT OF EFFECTIVE DATE

In the matter of postponing the effective date of the order of February 19, 1953.

Upon consideration of the record in the above-entitled proceeding; and good cause appearing therefor

It is ordered, That the effective date of the order of February 19, 1953, be, and it is hereby, postponed from March 31, 1953, to April 30, 1953.

(49 Stat. 546, as amended; 49 U. S. C. 304)

Dated at Washington, D. C., this 20th day of March A. D. 1953.

By the Commission.

[SEAL] GEORGE W LAIRD,
Acting Secretary.

[F. R. Doc. 53-2775; Filed, Apr. 1, 1953; 8:50 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 929]

[Docket No. AO 228-A1]

HANDLING OF MILK IN MUSKOGEE, OKLAHOMA, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED AMENDMENT TO ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900) a public hearing was conducted at Tulsa, Oklahoma, on March 9, 1953, pursuant to notice thereof which was issued on February 18, 1953 (18 F R. 1044)

The material issues of record related to:

1. The pricing of Class II milk;
2. The computation of daily average bases for certain producers transferred from the Fort Smith market; and
3. The necessity for prompt action with respect to these issues which would require the omission of a recommended decision.

In this decision the evidence with respect to issues numbered 2 and 3 above are considered. The evidence with respect to proposals for the pricing of Class II milk is reserved for further consideration.

Findings and conclusions. The following findings and conclusions on the material issues considered in this decision are based upon the evidence introduced at the hearing and the record thereof:

1. Provision should be made that deliveries of certain producers under Order No. 76 for the Fort Smith, Arkansas, market be used in the computation of the daily averages bases of such producers to be effective under the Muskogee order for 1953.

Daily average bases for producers under the Muskogee order are computed by

dividing the total pounds of milk received by a handler from the producer during the months of October through January by the number of days, not to be less than ninety, of the producer's delivery in these months. Such bases are used in making payments to producers during April, May and June.

Prior to January 3 of this year, an affiliate of a Muskogee handler operated a plant at which milk priced under the Fort Smith order was received. On that date the plant of the affiliate ceased receiving milk, and arrangements were made for the milk of some 25 Fort Smith producers supplying this plant to be received at the plant of the Muskogee handler. The sales of the Fort Smith plant are now supplied with milk priced under the Muskogee order.

Under the strict interpretation of the language of the Muskogee order the daily average bases to be effective in April, May and June 1953 for the producers transferred from the Fort Smith market would be computed on the basis of their deliveries to the Muskogee plant divided by ninety days. The Class I sales of the Muskogee market have been increased more by the change in plant operations than have the producer receipts of the market. Under these circumstances it appears equitable that deliveries of these producers under the Fort Smith order be used in computation of their daily average bases. A proposal that this be done was supported by both the cooperative association representing a large majority of producers and by the handler now receiving the milk. It is concluded that the order should so provide.

2. The due and timely execution of the function of the Secretary under the Act imperatively and unavoidably requires the omission of a recommended decision by the Assistant Administrator, Production and Marketing Administration and the opportunity for exceptions thereto on the actions contained in the amendments herein provided.

Delay beyond the minimum time required to make the attached amending order effective would defeat the purpose of such amendment. The bases to be computed for producers affected by the amendment will be used as a basis of payment for their deliveries in the month of April 1953. Failure to amend the method of computation of such bases will result in inequities to such producers to the detriment of the market. Accordingly the time necessarily involved in the preparation, filing and publication of the recommended decision and the consideration of exceptions thereto would make such action ineffective.

The propriety of omitting a recommended decision and opportunity to file exceptions thereto with respect to the issues here decided was indicated in the hearing record by interested parties, who waived the filing of briefs on the evidence with respect to issues considered herein.

Determination of representative period. The month of February 1953 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order amending the order regulating the handling of milk in the Muskogee, Oklahoma, marketing area in the manner set forth in the attached amending order is approved or favored by producers who, during such period were engaged in the production of milk for sale in the marketing area specified in such order.

General findings. (a) The proposed marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the proposed marketing agreement and in the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said marketing agreement upon which a hearing has been held.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled respectively "Marketing Agreement Regulating the Handling of Milk in the Muskogee, Oklahoma, Marketing Area," and "Order Amending the Order, Regulating the Handling of Milk in the Muskogee, Oklahoma, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered that all of this decision except the attached marketing agreement, be published in the Federal Register. The regulatory provisions of said marketing agreement are identical with those contained in the order, as hereby proposed to be amended by the attached order which will be published with this decision.

This decision filed at Washington, D. C., this 30th day of March 1953.

[SEAL] EZRA TAFT BENSON,
Secretary of Agriculture.

Order[1] Amending the Order Regulating the Handling of Milk in the Muskogee, Oklahoma, Marketing Area

§ 929.0 *Findings and determinations.* The findings and determinations hereinafter set forth are suplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900) a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Muskogee, Oklahoma, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supplies of and demand for milk in the marketing area, and the minimum prices specified in the order, as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as hereby amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Muskogee, Oklahoma, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order as hereby amended as follows:

1. Delete the period at the end of § 929.90 (a), substitute therefor a colon, and add the following: *"Provided,* That deliveries during the period of October 1952 through January 1953 of milk priced under Order No. 76 regulating the handling of milk in the Fort Smith, Arkansas, marketing area, shall be used in the computation of daily average bases effective in the months of April through June 1953 for producers who became producers under this order prior to January 31, 1953, because of changes in operations of affiliated handlers."

[F. R. Doc. 53-2784; Filed, Apr. 1, 1953; 8:52 a. m.]

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

NOTICES

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Treasury Department Order 172]

GENERAL COUNSEL

DELEGATION OF AUTHORITY TO RECEIVE SERVICE OF PROCESS

The General Counsel is hereby appointed to be agent of any officer or employee of the Treasury Department at the seat of Government, including the Secretary of the Treasury, to receive service of any subpoena, summons or other judicial process directed to that officer or employee in his official capacity in any litigation.

The General Counsel is hereby authorized to delegate this appointment to any or all Assistant General Counsel.

This order supplements, and does not supersede, orders heretofore issued relative to the receipt of service in the Office of the Chief Counsel of the Bureau of Internal Revenue on behalf of the Commissioner of Internal Revenue.

This order is issued pursuant to Reorganization Plan No. 26 of 1950, 15 F R. 4935.

This order shall be effective immediately.

[SEAL] G. M. HUMPHREY,
Secretary of the Treasury.

MARCH 27, 1953.

[F. R. Doc. 53-2779; Filed, Apr. 1, 1953; 8:51 a. m.]

[General Counsel's Order 2]

ASSISTANT GENERAL COUNSEL

DELEGATION OF AUTHORITY TO RECEIVE SERVICE OF PROCESS

By Treasury Department Order No. 172 issued today by the Secretary of the Treasury, the General Counsel has been appointed to be agent of any officer or employee of the Treasury Department at the seat of Government, including the Secretary of the Treasury, to receive service of any subpoena, summons or other judicial process directed to that officer or employee in his official capacity in any litigation.

Pursuant to that order, a delegation of that appointment is hereby made to each Assistant General Counsel severally. This delegation does not divest the General Counsel of his authority also to act as agent to receive service as prescribed in that order.

This order shall be effective immediately.

[SEAL] ELBERT P TUTTLE,
General Counsel.

MARCH 27, 1953.

[F. R. Doc. 53-2780; Filed, Apr. 1, 1953; 8:51 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

[Dissolution Order 100]

ULTRA CORP.

Whereas, under the authority of the Trading with the Enemy Act, as amended (50 U. S. C. App. 1 et seq.) and Executive Order 9193 (3 CFR 1943 Cum. Supp.) 200 shares of no par value capital stock of The Ultra Corporation, a New York corporation (hereinafter, "corporation") being all of the outstanding stock of said corporation, were vested in the Alien Property Custodian by Vesting Order 393 (7 F R. 11035, December 29, 1942) and

Whereas, by Executive Order 9788 (3 CFR 1946 Supp.) all authority, rights, privileges, powers, duties, functions and property vested in the Alien Property Custodian were vested in or transferred or delegated to the Attorney General of the United States,

Now, therefore, under the authority aforesaid, after investigation:

I. It having been determined that it is in the national interest of the United States that the corporation be dissolved and that its assets be distributed, and a Certificate of Dissolution having been issued by the Secretary of State of the State of New York on July 28, 1952, certifying to the dissolution of the corporation; and

II. It is hereby found that there are no known debts of the corporation and that the known assets of the corporation are:

(a) Cash in the sum of $4,507.82,

(b) Real property located in Richmond County, New York, particularly described in the deed from Rudolf K. Mueller to The Ultra Corporation, dated October 8, 1941, and recorded October 30, 1941, in the Richmond County Clerk's office in Liber 842 of Deeds, Page 326, and

(c) All right, title and interest of The Ultra Corporation in and to certificate number 424 for 54/100ths of one (1) share of six percent cumulative preferred stock of Windsor Corp. and in and to all rights and interest evidenced thereby, and

It is hereby ordered, That the officers and directors of the corporation (to wit: Oliver E. Nickerson, President and Director; Clarence S. Smith, Secretary and Director; and Guy T. Reid, Treasurer and Director, and their successors, or any of them) continue the proceedings for the dissolution and liquidation of the corporation; *and it is hereby further ordered,* That the said officers and directors wind up the affairs of the corporation and distribute the assets thereof coming into their possession as follows:

1. They shall first pay the current expenses and necessary charges in effecting the dissolution of the corporation and the winding up of its affairs,

2. They shall then pay all Federal, State and local taxes and fees owed by or accruing against the corporation, if any, and

3. They shall then pay over, transfer, assign and deliver to the Attorney General of the United States all of the funds and property referred to in subparagraphs II (a) (b) and (c) hereof, including after discovered assets, remaining in their hands after the payments as provided in subparagraphs 1 and 2 hereof, the same to be applied, first, in satisfaction of such claim, if any, as he may have for moneys advanced or services rendered to or on behalf of the corporation and, second, as a liquidating distribution of assets to the Attorney General of the United States as a holder of all the issued and outstanding stock of the corporation; and

It is hereby further ordered, That nothing herein set forth shall be construed as prejudicing the rights, under the Trading with the Enemy Act, as amended, of any person who may have a claim against the corporation to file such claim with the Attorney General of the United States hereunder: *Provided, however* That nothing herein contained shall be construed as creating additional rights in such person: *Provided, further,* That any such claim against the corporation shall be filed with or presented to the Attorney General of the United States within the time and in the form and manner prescribed for such claims by the Trading with the Enemy Act, as amended, and applicable regulations and orders issued pursuant thereto: *And it is hereby further ordered,* That all actions taken and acts done by the said officers and directors of the corporation, pursuant to this order and the directions contained herein shall be deemed to have been taken and done in reliance on and pursuant to section 5 (b) (2) of the Trading with the Enemy Act, as amended (50 U. S. C. App. 5), and the acquittance and exculpation provided therein.

Executed at Washington, D. C., on March 27, 1953.

For the Attorney General.

[SEAL] PAUL V MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 53-2776; Filed, Apr. 1, 1953; 8:50 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-1697, G-2083]

NATURAL GAS PIPELINE CO. OF AMERICA

NOTICE OF ORDER PERMITTING SUBSTITUTION OF AND SUSPENDING PROPOSED TARIFF SHEETS

MARCH 27, 1953.

Notice is hereby given that on March 27, 1953, the Federal Power Commission issued its order entered March 26, 1953, permitting substitution of proposed tariff sheets and suspending proposed

tariff sheets in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 53-2757; Filed, Apr. 1, 1953; 8:47 a. m.]

[Docket Nos. G-2030, G-2087]

COLFAX AND BOYCE, LA.

ORDER DENYING REQUESTS FOR SHORTENED PROCEDURE, CONSOLIDATING PROCEEDINGS, AND FIXING DATE OF HEARING

MARCH 26, 1953.

In the matters of Town of Colfax, Louisiana, Docket No. G-2030; and Town of Boyce, Louisiana, Docket No. G-2087.

On August 14, 1952, the Town of Colfax, Louisiana (Colfax) a municipal corporation located in the Parish of Grant, State of Louisiana, filed a petition in Docket No. G-2030, as supplemented September 23, 1952, and January 22, 1953, and amended February 20, 1953, for an order pursuant to section 7 (a) of the Natural Gas Act directing Trunkline Gas Company (respondent) to establish physical connection of its transmission facilities near Colfax, Louisiana, with the proposed facilities of, and to deliver and sell natural gas to, Colfax for resale, and for an order amending or supplementing the certificate of public convenience and necessity issued to respondent, to the extent necessary to authorize and direct the aforementioned acts on the part of respondent, all as more fully described in said petition, as supplemented and amended, on file with the Commission and open to public inspection.

On November 14, 1952, the Town of Boyce, Louisiana (Boyce) a municipal corporation located in the Parish of Rapides, State of Louisiana, filed a petition in Docket No. G-2087, as supplemented February 2, 1953, and amended February 19, 1953, for an order, in its behalf, similar in other material respects to that requested by the Town of Colfax, Louisiana, as set forth previously herein, all as more fully described in said petition, as supplemented and amended, on file with the Commission and open to public inspection.

Due notice of the filing of said petition by Colfax has been given, including publication in the FEDERAL REGISTER on September 11, 1952 (17 F. R. 8193) and due notice of the filing of said petition by Boyce has been given, including publication in the FEDERAL REGISTER on December 13, 1952 (17 F. R. 11354)

Respondent's answers to the two petitions, received August 27, 1952, and January 7, 1953, neither opposed nor supported the petitions.

On February 19 and 20, 1953, Boyce and Colfax, respectively, filed pleadings requesting that their petitions be heard under the shortened procedure provided by § 157.11 (b) of the Commission's regulations under the Natural Gas Act, as amended, or, if a formal hearing is found to be necessary, that the two proceedings be scheduled to be heard jointly.

The Commission finds:

(1) Good cause has not been shown for granting Petitioners' requests that their petitions herein be heard under the shortened procedure as provided by the Commission's regulations under the Natural Gas Act, and said requests should be denied as hereinafter ordered.

(2) Good cause exists to consolidate the above petitions for the purpose of hearing.

The Commission orders:

(A) The requests by the Town of Colfax, Louisiana, and the Town of Boyce, Louisiana, that their petitions herein be heard under the shortened procedure provided by § 157.11 (b) of the Commission's regulations under the Natural Gas Act, be and the same are hereby denied.

(B) The proceedings upon the petitions of the Town of Colfax, Louisiana, in Docket No. G-2030 and of the Town of Boyce, Louisiana, in Docket No. G-2087 be and the same are hereby consolidated for purpose of hearing.

(C) Pursuant to the authority contained in and by virtue of the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a formal hearing be held commencing on April 13, 1953, at 10:00 a. m. e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue N. W., Washington, D. C., concerning the matters involved and the issues presented by said petitions. as supplemented and amended.

(D) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: March 27, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 53-2760; Filed, Apr. 1, 1953; 8:48 a. m.]

[Docket Nos. G-2098, G-2099]

TEXAS ILLINOIS NATURAL GAS PIPELINE CO. AND NATURAL GAS PIPELINE CO. OF AMERICA

NOTICE OF FINDINGS AND ORDERS

MARCH 27, 1953.

In the matters of Texas Illinois Natural Gas Pipeline Company, Docket No. G-2098; Natural Gas Pipeline Company of America, Docket No. G-2099.

Notice is hereby given that on March 27, 1953, the Federal Power Commission issued its orders entered March 26, 1953, issuing certificates of public convenience and necessity in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 53-2758; Filed, Apr. 1, 1953; 8:47 a. m.]

[Docket Nos. G-2124, G-2125, G-2126, G-2140]

INDEPENDENT NATURAL GAS CO. ET AL.

ORDER CONSOLIDATING PROCEEDINGS AND PROVIDING FOR HEARING

MARCH 26, 1953.

In the matters of Independent Natural Gas Company, Docket Nos. G-2124 and G-2140; Northern Natural Gas Company, Docket No. G-2125; El Paso Natural Gas Company, Docket No. G-2126.

The Commission by an order entered March 26, 1953, in Docket No. G-2124, denied the interpretation requested by Part I of the application by Independent Natural Gas Company (Independent) and provided for a hearing at a time and place to be fixed by further order of the Commission upon Part II of said application requesting, pursuant to section 7 of the Natural Gas Act, certificate authorization to render a natural-gas transportation service for Independent's parent, Northern Natural Gas Company (Northern)

The Commission by order entered March 26, 1953, in Docket No. G-2140, suspended certain tariff changes proposed by Independent in its FPC Gas Tariff, Original Volume No. 1, and provided for hearing to be held at a time and place to be fixed by further order of the Commission concerning the lawfulness of the rates, charges, classifications subject to the jurisdiction of the Commission contained in the said tariff as proposed to be amended by the proposed changes.

On February 24, 1953, Northern filed in Docket No. G-2125 an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction, at an estimated cost of approximately $3.5 million, and operation of certain natural-gas pipe-line facilities for the purpose, in conjunction with operations covered by the application of El Paso Natural Gas Company (El Paso) in Docket No. G-2126, of receiving, transporting, and delivering to Northern's existing markets approximately 40,000 Mcf of natural gas per day to be purchased from Phillips Petroleum Company (Phillips) at its Dumas gasoline plant in Moore County, Texas. Due notice of the filing of this application has been given including publication in the FEDERAL REGISTER on March 13, 1953 (18 F. R. 1455)

On February 24, 1953, El Paso filed in Docket No. G-2126 an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction, at an estimated cost of approximately $81,000, and operation of certain natural-gas transmission facilities for compressing at its existing Dumas compressor station in Moore County, Texas, approximately 40,000 Mcf of natural gas per day for Northern, which gas Northern proposes to purchase from Phillips as aforementioned under its application in Docket No. G-2125. Due notice of the filing of this application in Docket No. G-2126 has been given, including publication in the FEDERAL REGISTER on March 13, 1953 (18 F. R. 1455).

The Commission finds:

(1) The proceedings in Docket Nos. G–2124, G–2125 and G–2126 are not proper ones for disposition under the provisions of § 1.32 (b) of the Commission's rules of practice and procedure (18 CFR 1.32 (b))

(2) It is necessary and appropriate in the public interest in carrying out the provisions of the Natural Gas Act, and good cause exists, to consolidate the above-entitled proceedings for purpose of hearing, and to order that a hearing be held, all as hereinafter provided and ordered.

The Commission orders:

(A) The aforesaid proceedings in Docket Nos. G–2124, G–2125, G–2126 and G–2140 be and the same are hereby consolidated for the purpose of hearing.

(B) Pursuant to authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 4, 7, and 15 of the Natural Gas Act, and the Commission's general rules and regulations, including its rules of practice and procedure (18 CFR, Ch. I) a public hearing be held at a time and place to be fixed by further order of the Commission concerning the matters involved in and the issues presented by the above-entitled proceedings.

(C) In the interest of expedition, Independent, Northern and El Paso shall, not less than seven days next preceding the date hereafter fixed for the commencement of the consolidated hearing herein, serve upon all parties hereto, including Commission staff counsel, copies of all exhibits proposed to be offered at the hearing.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f))

(E) This order is without prejudice to: (1) The right of the Commission to take appropriate action respecting any violation of the Natural Gas Act, the rules, regulations, or orders of the Commission thereunder, and (2) any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against Independent, Northern, or El Paso.

Date of issuance: March 27, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 53–2759; Filed, Apr. 1, 1953; 8:47 a. m.]

[Docket No. G–2140]

INDEPENDENT NATURAL GAS CO.

ORDER SUSPENDING PROPOSED TARIFF CHANGES AND PROVIDING FOR HEARING

MARCH 26, 1953.

On February 19, 1953, Independent Natural Gas Company (Independent) tendered for filing with the Commission proposed changes in its FPC Gas Tariff consisting of First Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a to its FPC Gas Tariff, Original Volume No. 1, with a request that the proposed changes be allowed to become effective April 1, 1953.

At the same time Independent tendered for filing a proposed Volume No. 2 to its FPC Gas Tariff and a service agreement thereunder to cover a compression-transportation service of about 10,000 Mcf per day for Northern Natural Gas Company (Northern) including a cost-of-service formula rate for such transportation service, with a request that the aforesaid tariff volume and service agreement be made effective as of January 8, 1953.

Independent's currently effective FPC Gas Tariff contains a single rate schedule available only to Northern providing for the sale of up to 11 million Mcf of natural gas per year (an average of approximately 30,000 Mcf per day) in specified monthly quotas at 5¾ cents per Mcf, and 4 cents per Mcf for all gas taken in excess of the monthly quotas. The proposed tariff changes to Original Volume No. 1, tendered on February 19, 1953, retain the monthly sales quotas currently in effect, but the present rate is proposed to be changed to a cost-of-service formula providing a charge to Northern equal to Independent's operating expenses, taxes, depreciation, and return at 6½ percent, less revenues collected under proposed Volume No. 2 containing the transportation rate schedule.

Independent's proposed transportation rate schedule, which would be available only to Northern, provides for the transportation (initially 9,000 to 11,000 Mcf per day) of natural gas which Northern purchases from Phillips Petroleum Company (Phillips) The charge for this transportation service is a cost-of-service formula arrangement complementary to and interrelated with its proposed sales rate schedule.

The Commission by letter dated March 26, 1953, rejected Independent's proposed Original Volume No. 2 of its FPC Gas Tariff, together with the transportation service agreement thereunder between Independent and Northern, as not in compliance with the Commission's general rules and regulations, particularly § 154.22 thereof (18 CFR Part 154) because Independent does not have a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the transportation service covered by the said tariff volume and service agreement, as determined by the Commission in its order entered March 26, 1953, In the Matter of Independent Natural Gas Company, Docket No. G–2124.

From the data submitted by Independent in connection with the proposed tariff changes tendered for filing on February 19, 1953, it appears that the changes embodied in First Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a to its FPC Gas Tariff, Original Volume No. 1, would result, based upon estimated operations in 1953, in an estimated annual increase in charges for the sales for resale service to Northern of some $250,000 in the event the proposed transportation service covered by Independent's pending application in Docket No. G–2124 should not be authorized, and in an estimated annual increase in the charges for the sales for resale service of some $150,000 in the event the transportation service should be authorized. The increased rates and charges proposed in said First Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a have not been shown to be justified, and may be unjust, unreasonable, or otherwise unlawful, and may place an undue burden upon ultimate consumers of natural gas.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing, pursuant to the authority contained in section 4 thereof, concerning the lawfulness of Independent's FPC Gas Tariff, Original Volume No. 1, as proposed to be changed by its First Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a, and that said proposed Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a be suspended as hereinafter provided and the use thereof be deferred pending hearing and decision thereon as provided by the Natural Gas Act.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by section 4 of the Natural Gas Act, a public hearing be held at the time and place to be fixed by further order of the Commission concerning the lawfulness of the rates, charges, and classifications subject to the jurisdiction of the Commission, contained in Independent's FPC Gas Tariff, Original Volume No. 1, as proposed to be changed by First Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a.

(B) Pending such hearing and decision thereon, Independent's proposed First Revised Sheets Nos. 4 and 5 and Original Sheet No. 4a be and the same are hereby suspended and their use deferred until September 1, 1953, unless otherwise ordered by the Commission, and until such further time as said proposed revised and original sheets may be made effective in the manner prescribed by the Natural Gas Act.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f))

Date of issuance: March 27, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 53–2761; Filed, Apr. 1, 1953; 8:48 a. m.]

[Project No. 1864]

UPPER PENINSULA POWER CO.

NOTICE OF AMENDED APPLICATION FOR LICENSE

MARCH 27, 1953.

Public notice is hereby given that application for license pursuant to the provisions of the Federal Power Act (16 U. S. C. 791–825r) was filed by Copper District Power Company, of Ontonagon, Michigan, which application

has been amended by Upper Peninsula Power Company, of Houghton, Michigan (successor to Copper District) for constructed Project No. 1864 in Ontonagon County, Michigan, affecting lands of the United States within the Ottawa National Forest. The project, known as the Bond Falls project, consists of a storage reservoir, having effective storage capacity of about 32,400 acre-feet with drawdown of 20 feet, formed by three earth-filled dams with steel sheet core walls; a main dam across the Middle Branch of Ontonagon River about 45 feet high with reinforced concrete spillway equipped with an electrically operated flood gate; an auxiliary or secondary dam; a control dam having through it a reinforced concrete outlet structure equipped with an electrically operated control gate for discharging water into an open diversion canal; and a diversion canal extending about 1.4 miles westerly to Spring Creek and provided with velocity-reducing structures.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10) on or before the 9th day of May 1953. The application as amended is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 53-2756; Filed, Apr. 1, 1953; 8:47 a. m.]

DEPARTMENT OF THE INTERIOR

Alaska Road Commission

[Public Order 3]

ABANDONMENT OF ROAD

MARCH 25, 1953.

Pursuant to authority vested in me by the Secretary of the Interior by Department of Interior Order No. 2448, dated July 19, 1948, approved by the President July 20, 1948, I find it to be in the public interest and hereby declare the abandonment of the road known as the Andersen Road, located within the confines of T. 18 N., R. 1 E., Seward Meridian, commencing at a point near the one-fourth corner common to Sections 30 and 31, and thence running northerly a distance of 0.6 of a mile between Kings and Andersen Lakes, and shown on plat entitled "Road Abandonment, Andersen Road" on file in the office of the Alaska Road Commission, Department of the Interior, Juneau, Alaska.

A. F. GHIGLIONE,
Commissioner of Roads for Alaska.

[F. R. Doc. 53-2751; Filed, Apr. 1, 1953; 8:45 a. m.]

Bureau of Land Management

ALASKA

SHORESPACE RESTORATION ORDER NO. 500

MARCH 18, 1952.

By virtue of the authority contained in the act of June 5, 1920 (41 Stat. 1059; 48 U. S. C. 372), and pursuant to section 2.22 (a) (3), of Order No. 1, Bureau of Land Management, Region VII, approved by the Acting Secretary of the Interior August 20, 1951 (16 F. R. 8625), it is ordered as follows:

Subject to valid existing rights and the provisions of existing withdrawals, including, but not limited to Public Land Order 486, the 80-rod shorespace reserve created under the act of May 14, 1898 (30 Stat. 409) as amended by the act of March 3, 1903 (32 Stat. 1028; 48 U. S. C. 371) is hereby revoked as to the following described lands:

ANCHORAGE LAND DISTRICT

Seward Meridian
T. 7 S., R. 13 W.,
Section 1: Lots 2 and 3.

Containing approximately 63.98 acres.

FRED J. WEILER,
Chief,
Division of Land Planning.

[F. R. Doc. 53-2752; Filed, Apr. 1, 1953; 8:46 a. m.]

[Docket No. DA-109]

WASHINGTON

RESTORATION ORDER UNDER FEDERAL POWER ACT

MARCH 25, 1953.

Pursuant to determination DA-109, Washington, of the Federal Power Commission and in accordance with Order No. 427, section 2.22 (a) (4) of the Director, Bureau of Land Management, approved August 16, 1950, 15 F. R. 5641, it is ordered as follows:

Subject to valid existing rights and the provisions of existing withdrawals the lands hereinafter described so far as they are withdrawn and reserved for power purposes are hereby restored to location and entry for mining purposes only, subject to the provisions of section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1075; 16 U. S. C. sec. 818) as amended, and subject to the stipulation that if and when any of the subject lands are included in mining claims and are thereafter required for purposes of power development by the United States or its permittees or licensees, the locators, their heirs or assigns shall without cost or expense to the United States, its permittees or licensees, remove any improvements, waste dumps or tailings from those portions of the lands required for power development purposes.

WASHINGTON

T. 39 N., R. 8 E., W. M.
Sec. 5, W½NW¼, N½SW¼ (Unsurveyed).
Sec. 6, NE¼, NE¼NW¼, NE¼SE¼ (Unsurveyed).
T. 40 N., R. 8 E., W. M.
Sec. 31, S½SE¼.

The areas described aggregate 480 acres.

The subject lands are located in either Power Site Classification No. 126 of January 23, 1926, or in Power Site Classification No. 316 of February 1, 1940, and lie within the Mt. Baker National Forest, Washington.

This order shall become effective on publication in the FEDERAL REGISTER at which time the lands described will be available for location and entry under the United States mining laws subject to the reservations, stipulations and conditions herein provided.

ROSCOE E. BELL,
Regional Administrator

[F. R. Doc. 53-2778; Filed, Apr. 1, 1953; 8:51 a. m.]

[Misc. 681263]

IDAHO

RESTORATION OF PUBLIC LANDS FROM STOCK DRIVEWAY WITHDRAWAL

MARCH 23, 1953.

Pursuant to Order No. 427, section 2.22 (a) (4) of the Director, Bureau of Land Management, approved August 16, 1950, (15 F. R. 5641) notice is hereby given that the following described land which was included in stock driveway withdrawal 253, Idaho-19, dated October 18, 1938, and which has since been found to be unsuitable for withdrawal for stock driveway purposes, is hereby restored from stock driveway withdrawal:

IDAHO

BOISE MERIDIAN

T. 13 S., R. 44 E.,
Sec. 30, NE¼NW¼.

The area described aggregates 40 acres.

The lands affected by this notice, has an elevation of 6,000 feet and is suitable for limited agricultural use. The land is in Federal Power Reserve No. 373 and no application for entry or disposal of the lands may be allowed unless and until the Federal Power Commission makes a favorable determination under section 24 of the Federal Power Act and the land is restored to application and classification under applicable public land laws.

ROSCOE E. BELL,
Regional Administrator.

[F. R. Doc. 53-2753; Filed, Apr. 1, 1953; 8:46 a. m.]

Bureau of Reclamation

[Public Announcement 14]

COLUMBIA BASIN PROJECT, WASHINGTON

SALE OF FULL-TIME FARM UNITS

MARCH 13, 1953.

Columbia Basin Project, Washington, South-Columbia Basin Irrigation District; public announcement of the sale of full-time farm units.

LANDS COVERED

SECTION 1. *Offer of farm units for sale.* It is hereby announced that certain farm units in the South-Columbia Basin Irrigation District, Columbia Basin Project, Washington, will be sold to qualified applicants in accordance with the provisions of this announcement. Applications to purchase farm units may be submitted beginning at 2:00 p. m., March 30, 1953.

The farm units hereby offered for sale by the United States are all in Block 15, Franklin County, Washington, and are described as follows:

Irrigation block No.	Farm unit No.	Total acreage	Tentative irrigable acreage				Nonirrigable	Price
			Total	Class 1	Class 2	Class 3		
15	1	127.8	99.0	3.4	67.1	28.5	28.8	$5,535.00
	3	113.7	94.1		68.5	25.6	19.6	4,719.70
	4	133.9	107.3	19.5	48.8	39.0	26.6	17,674.70
	5	128.0	99.4	15.6	62.8	21.0	28.6	5,377.80
	6	68.6	56.5	53.5	3.0		12.1	3,402.10
	7	75.3	65.8	42.5	23.3		9.5	3,957.50
	11	56.7	50.7	41.6	9.1		6.0	3,150.90
	12	56.4	50.2	45.8	4.4		6.2	3,018.20
	15	80.9	79.0	50.1	28.9		1.9	4,741.90
	16	81.1	75.0	5.2	69.8		6.1	4,881.10
	17	83.5	73.1	39.3	33.8		10.4	4,396.40
	18	74.0	67.0	47.8	19.2		7.0	4,027.00
	19	63.3	54.6	54.6			8.7	3,234.70
	20	108.6	94.3	22.5	32.3	39.5	14.3	4,500.20
	21	71.3	58.7	49.1	9.4	.2	12.6	2,742.90
	22	88.1	67.4		33.6	33.8	20.7	2,934.50
	28	81.3	75.5	37.5	38.0		5.8	4,648.50
	29	81.5	78.4	25.8	52.6		3.1	4,775.70
	30	81.3	71.8	55.4	15.8	.6	9.5	4,694.80
	31	80.9	60.8	42.5	18.3		20.1	4,501.10
	32	71.8	60.7	39.6	21.1		11.1	3,956.60
	33	69.9	61.3	29.8	30.4	1.1	8.6	4,128.10
	34	63.0	58.2	32.7	25.5		4.8	3,885.00
	35	65.5	58.0	16.2	41.1	.7	7.5	3,955.70
	36	73.4	68.3	33.6	34.7		5.1	4,444.60
	37	96.2	90.0	2.5	67.7	19.8	6.2	5,406.20
	38	79.7	71.8	22.9	48.9		7.9	4,761.30
	39	79.6	72.2	10.1	62.1		7.4	4,700.40
	40	81.3	51.1	28.6	19.0	3.5	30.2	4,487.80
	41	81.6	57.3		56.0	1.3	24.3	3,989.80
	42	82.0	66.9		66.9		15.1	4,238.50
	43	81.6	78.2	9.7	55.3	13.2	3.4	4,387.70
	46	80.6	72.8	36.5	36.1	.2	7.8	3,328.00
	50	95.7	87.6	19.9	65.2	2.5	8.1	3,562.50
	51	125.4	82.7	43.6	33.0	6.1	42.7	3,735.00
	52	115.4	99.7	79.5	18.6	1.6	15.7	5,091.60
	53	79.4	72.1	33.6	38.5		7.3	3,972.80
	54	75.0	62.6	4.2	58.4		12.4	3,477.80
	55	74.8	58.4	24.8	33.6		16.4	3,279.60
	56	74.6	62.9	22.9	40.0		11.7	3,168.40
	57	65.3	47.9		42.1	5.8	17.4	2,455.30
	58	67.0	65.7		65.7		1.3	3,614.80
	59	67.0	38.4		38.4		28.6	2,562.40
	60	73.7	71.8		71.8		1.9	4,309.90
	61	73.7	66.6		53.8	12.8	7.1	3,942.90
	62	86.0	81.4		81.4		4.6	4,941.70
	63	85.5	72.1	.5	53.5	18.1	13.4	4,370.50
	64	73.7	66.6		30.3	36.3	7.1	3,872.50
	65	92.3	75.7	4.5	66.5	4.7	16.6	4,930.00
	66	85.6	79.9	28.8	51.1		5.7	5,647.00
	70	81.6	70.6		47.2	23.4	11.0	3,732.10
	72	79.3	67.4		43.5	23.9	11.9	3,697.80
	73	68.5	56.2		37.7	18.5	12.3	1,519.60
	76	84.6	78.9	22.2	56.7		5.7	5,794.20
	77	85.0	80.4	10.0	70.4		4.6	5,230.60
	80	86.2	81.4		81.4		4.8	4,888.80
	81	86.4	82.1		82.1		4.3	4,930.30
	82	72.9	63.7		43.6	20.1	9.2	1,658.70
	83	97.0	84.9		83.4	1.5	12.1	2,870.30
	84	74.3	72.3	9.6	61.0	1.7	2.0	3,617.00
	85	74.1	71.1	23.6	46.7	.8	3.0	3,577.60
	86	84.7	66.5	32.3	29.4	4.8	18.2	2,800.60
	87	156.1	100.3	4.1	94.6	1.6	55.8	4,018.70
	89	177.1	102.2		53.3	48.9	74.9	1,949.30
	90	187.7	90.2		87.0	3.2	97.5	2,026.80
	91	54.3	44.9		44.9		9.4	728.80
	92	80.1	74.9		71.1	3.8	5.2	3,380.10
	93	80.0	76.2		73.5	2.7	3.8	3,538.40
	94	86.1	72.2		59.8	12.4	13.9	4,079.90
	95	74.6	65.1		54.6	10.5	9.5	3,635.00
	96	117.3	106.0		82.3	23.7	11.3	5,928.70
	97	102.8	89.6		89.6		13.2	5,840.00
	98	103.9	99.4		99.4		4.5	5,594.70
	99	99.8	88.4		44.6	43.8	11.4	4,564.40
	100	113.7	100.8		63.9	36.9	12.9	5,222.00
	107	100.0	83.7	1.8	76.0	5.9	16.3	5,611.60
	108	82.8	74.7	3.7	70.9	.1	8.1	4,270.60
	112	84.1	60.5	11.0	38.0	11.5	23.6	3,723.30
	115	80.3	74.5		63.3	11.2	5.8	4,568.90
	116	80.3	73.9		73.9		6.4	4,670.70
	117	80.3	54.4		51.2	3.2	25.9	3,649.70
	118	72.9	61.9		42.6	19.3	11.0	3,602.40
	119	118.5	105.0		80.6	24.4	13.5	5,409.80
	121	80.1	66.2		62.5	3.7	13.9	4,529.80
	128	162.4	71.7		66.5	5.2	90.7	3,490.30
	130	79.2	75.2		68.5	6.7	4.0	4,516.00
	131	99.7	89.4		31.0	58.4	10.3	4,835.20
	132	99.9	78.0		40.6	37.4	21.9	4,360.50
	142	121.5	94.0		69.1	24.9	27.5	3,179.90
	143	127.3	104.5		72.5	32.0	22.8	2,788.20
	150	97.8	79.7		34.0	45.7	18.1	4,533.60
	151	112.2	103.5	3.2	75.7	24.6	8.7	5,762.40
	153	124.3	103.0	58.8	35.6	8.6	21.3	5,715.90
	154	141.8	83.7	47.3	34.8	1.6	58.1	4,565.20
	155	119.6	100.9	1.3	71.7	27.9	18.7	4,789.10
	157	113.1	99.6	16.4	45.2	38.0	13.5	3,096.70
	158	98.0	79.2	.5	66.7	12.0	18.8	2,240.10
	159	95.1	81.9	.2	78.2	3.5	13.2	2,140.50
	165	107.7	56.4		53.8	2.6	51.3	2,947.10
	166	86.8	78.6		72.2	6.4	8.2	2,820.80
	167	128.5	84.1		77.5	6.6	44.4	3,587.10
	176	102.1	96.5		93.8	2.7	5.6	4,869.80
	177	105.4	88.4		88.0	.4	17.0	2,356.90
	178	99.2	92.7	.3	84.3	8.1	6.5	4,547.00
	179	77.0	66.6	38.7	27.9		10.4	4,339.40
	182	85.4	81.4		71.0	10.4	4.0	4,630.60
	183	92.9	90.0		80.6	9.4	2.9	2,265.00
	191	85.6	67.1		67.1		18.5	1,765.30

The official plat of this irrigation block is on file in the office of the County Auditor, Franklin County, Pasco, Washington, and copies are on file in the office of the Bureau of Reclamation at Ephrata, Washington, and the Regional office at Boise, Idaho.

SEC. 2. *Limit of acreage which may be purchased.* The lands covered by this announcement have been divided into farm units. Each of the farm units represents the acreage which, in the opinion of the Regional Director, Region 1, Bureau of Reclamation, will support an average-size family at a suitable level of living. The law provides that with certain minor exceptions not more than one farm unit in the entire project may be held by any one owner or family. A family is defined as comprising husband or wife, or both, together with their children under 18 years of age, or all of such children if both parents are dead.

PREFERENCE OF APPLICANTS

SEC. 3. *Nature of preference.* A preference right to purchase the farm units described above will be given to veterans (and in some cases to their husbands or wives or guardians of minor children) who submit applications during a 45-day period beginning at 2 p. m., March 30, 1953, and ending at 2 p. m., May 14, 1953, and who, at the time of making application, are in one of the following five classes:

a. Persons, including those under 21 years of age, who have served in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States for a period of at least ninety (90) days at any time between September 16, 1940, and July 3, 1952, inclusive, and have been honorably discharged.

b. Persons, including those under 21 years of age, who have served in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States during the period prescribed in subsection a of this section regardless of length of service, and who have been discharged on account of wounds received or disability incurred during such period in the line of duty, or subsequent to a regular discharge, have been furnished hospitalization or awarded compensation by the Government on account of such wounds or disability.

c. The spouse of any person in either of the first two classes listed in this section, if the spouse has the consent of such person to exercise his or her preference right. (See subsection 7c of this announcement regarding the provision that a married woman must be head of a family.)

d. The surviving spouse of any person in either of the first two classes listed in this section, or in the case of the death or marriage of such spouse, the minor child or children of such person by guardian duly appointed and qualified and who furnishes to the examining board acceptable evidence of such appointment and qualification.

e. The surviving spouse of any person whose death has resulted from wounds received or disability incurred in the line of duty while serving in the Army, Navy Marine Corps, Air Force, or Coast

Guard during the period described in subsection a of this section, or in the case of death or marriage of such spouse, the minor child or children of such person by a guardian duly appointed and qualified and who furnishes to the examining board acceptable evidence of such appointment and qualification.

SEC. 4. *Definition of honorable discharge.* An honorable discharge means:

a. Separation from the service by means of an honorable discharge or by the acceptance of resignation or a discharge under honorable conditions.

b. Release from active duty under honorable conditions to an inactive status, whether or not in a reserve component or retirement.

Any person who obtains an honorable discharge as herein defined shall be entitled to veterans preference even though such person thereafter resumes active military duty.

QUALIFICATIONS REQUIRED OF PURCHASERS

SEC. 5. *Examining board.* An examining board of three members has been appointed by the Regional Director, Region I, Bureau of Reclamation, to determine the qualifications and fitness of applicants to undertake the purchase, development, and operation of a farm on the Columbia Basin Project. The board will make careful investigations to verify the statements and representations made by applicants. Any false statements may constitute grounds for rejection of an application, and cancellation of the applicant's right to purchase a farm unit.

SEC. 6. *Minimum qualifications.* Certain minimum qualifications have been established which are considered necessary for the successful development of farm units. Applicants must meet these qualifications in order to be eligible for the purchase of farm units. Failure to meet them in any single respect will be sufficient cause for rejection of an application. No added credit will be given for qualifications in excess of the required minimum. The minimum qualifications are as follows:

a. *Character and industry.* An applicant must be possessed of honesty, temperate habits, thrift, industry, seriousness of purpose, record of good moral conduct, and a bona fide intent to engage in farming as an occupation.

b. *Farm experience.* Except as otherwise provided in this subsection, an applicant must have had a minimum of two years (24 months) of full-time farm experience, which shall consist of participation in actual farming operations, after attaining the age of 15 years. Time spent in agricultural courses in an accredited agricultural college or time spent in work closely associated with farming, such as teaching vocational agriculture, agricultural extension work, or field work in the production or marketing of farm products, which, in the opinion of the board will be of value to an applicant in operating a farm, may be substituted for full-time farm experience. Such substitution shall be on the basis of one year (academic year of at least nine months) of agricultural college courses or one year (twelve months) of work closely associated with farming for six months of full-time farm experience. Not more than one year of full-time farm experience of this type will be allowed. A farm youth who actually resided and worked on a farm after attaining the age of 15 and while attending school may credit such experience as full-time experience.

Applicants who have acquired their experience on an irrigated farm will not be given preference over those whose experience was acquired on a nonirrigated farm, but all applicants must have had farm experience of such nature as in the judgment of the examining board will qualify the applicant to undertake the development and operation of an irrigated farm by modern methods.

c. *Health.* An applicant must be in such physical condition as will enable him to engage in normal farm labor.

d. *Capital.* An applicant must possess assets worth at least $4,500 in excess of liabilities. Assets must consist of cash, property readily convertible into cash or property such as livestock, farm machinery and equipment, which, in the opinion of the board, will be useful in the development and operation of a new, irrigated farm. In considering the practical value of property which will be useful in the development of a farm, the board will not value household goods at more than $500 or a passenger car at more than $500. Assets not useful in the development of a farm will be considered if the applicant furnishes, at the Board's request, evidence of the value of the property and proof of its conversion into useful form before execution of a purchase contract.

SEC. 7. *Other qualifications required.* Each applicant (except guardian) must meet the following requirements:

a. Be a citizen of the United States or have declared an intention to become a citizen of the United States.

b. Not own outright, or control under a contract to purchase, more than ten acres of crop land or a total of 160 acres of land at the time of execution of a purchase contract for a farm unit.

c. If a married woman, or a person under 21 years of age who is not eligible for veterans preference, be the head of a family. The head of a family is ordinarily the husband, but a wife or a minor child who is obliged to assume major responsibility for the support of a family may be the head of a family.

WHERE AND HOW TO SUBMIT AN APPLICATION

SEC. 8. *Filing application blanks.* Any person desiring to purchase a farm unit offered for sale by this announcement must fill out the attached application blank and file it with the Land Settlement Branch, Bureau of Reclamation, Ephrata, Washington, in person or by mail. Additional application blanks may be obtained from the office of the Bureau of Reclamation at Ephrata, Washington; Post Office Box 937, Boise, Idaho; or Washington, D. C. No advantage will accrue to an applicant who presents an application in person. Each application submitted, including the evidence of qualification to be submitted following the public drawing, will become a part of the records of the Bureau of Reclamation and cannot be returned to the applicant.

SELECTION OF QUALIFIED APPLICANTS

SEC. 9. *Priority of applications.* All applications will be classified for priority purposes as follows:

a. *First priority group.* All complete applications filed prior to 2 p. m., May 14, 1953 by applicants who claim veterans preference. All such applications will be treated as simultaneously filed.

b. *Second priority group.* All complete applications filed prior to 2 p. m., May 14, 1953, by applicants who do not claim veterans preference. All such applications will be treated as simultaneously filed.

c. *Third group.* All complete applications filed after 2 p. m., May 14, 1953. Such applications will be considered in the order in which they are filed if any farm units are available for sale to applicants within this group.

SEC. 10. *Public drawing.* After the priority classification, the board will conduct a public drawing of the names of the applicants in the First Priority Group as defined in subsection 9a of this announcement. Applicants need not be present at the drawing to participate therein. The names of a sufficient number of applicants (not less than four times the number of farm units to be offered for sale) shall be drawn and numbered consecutively in the order drawn for the purpose of establishing the order in which the applications drawn will be examined by the Board to determine whether the applicants meet the minimum qualifications prescribed in this announcement, and to establish the priority of qualified applicants for the selection of farm units. After such drawing, the Board shall notify each applicant of his respective standing as a result of the drawing.

SEC. 11. *Submission of evidence of qualification.* After the drawing, a sufficient number of applicants, in the order of their priority as established by the drawing, will be supplied with forms on which to submit evidence of qualification, showing that they meet the qualifications set forth in sections 6 and 7 of this announcement and, in case veterans preference is claimed, establishing proof of such preference, as set forth in section 3 of this announcement. Full and accurate answers must be made to all questions. The completed form must be mailed or delivered to the Land Settlement Branch, Bureau of Reclamation, Ephrata, Washington, within 20 days of the date the form is mailed to the last adress furnished by the applicant. Failure of an applicant to furnish all of the information requested or to see that information is furnished by his references within the time period specified will subject his application to rejection.

SEC. 12. *Examination and interview.* After the information outlined in section 11 of this announcement has been received or the time for submitting such statements has expired, the Board shall

examine in the order drawn a sufficient number of applications together with the evidence of qualification submitted to determine the applicants who will be permitted to purchase farm units. This examination will determine the sufficiency, authenticity, and reliability of the information and evidence submitted by the applicants.

If the applicant fails to supply any of the information required or the Board finds that the applicant's qualifications do not meet the requirements prescribed in this announcement, the applicant shall be disqualified and shall be notified by the Board, by registered mail, of such disqualification and the reasons therefor and of the right to appeal to the Regional Director, Region 1, Bureau of Reclamation. All appeals must be received in the office of the Land Settlement Branch, Bureau of Reclamation, Ephrata, Washington, within 15 days of the applicant's receipt of such notice or, in any event, within 30 days from the date when the notice is mailed to the last address furnished by the applicant. The Land Settlement Branch will promptly forward the appeal to the Regional Director.

If the examination indicates that an applicant is qualified, the applicant may be required to appear for a personal interview with the Board for the purpose of: (a) Affording the Board any additional information it may desire relative to his qualifications; (b) affording the applicant any information desired relative to conditions in the area and the problems and obligations relative to development of a farm unit; and (c) affording the applicant an opportunity to examine the farm units.

If an applicant fails to appear before the Board for a personal interview on the date requested, he will thereby forfeit his priority position as determined by the drawing.

If the Board finds that an applicant's qualifications fulfill the requirements prescribed in this anouncement, such applicant shall be notified, in person or by registered mail, that he is a qualified applicant and shall be given an opportunity to select one of the farm units available then for purchase. Such notice will require the applicant to make a field examination of the farm units available to him and in which he is interested, to select a farm unit, and to notify the Board of such selection within the time specified in the notice.

SELECTION OF FARM UNITS

SEC. 13. *Order of selection.* The applicants who have been notified of their qualification for the purchase of a farm unit will successively exercise the right to select a farm unit in accordance with the priority established by the drawing. If a farm unit becomes available through failure of a qualified applicant to exercise his right of selection or failure to complete his purchase, it will be offered to the next qualified applicant who has not made a selection at the time the unit is again available. An applicant who is considered to be disqualified as a result of the personal interview will be permitted to exercise his right to select, notwithstanding his disqualification, unless he voluntarily surrenders this right in writing. If, on appeal, the action of the Board in disqualifying an applicant as a result of the personal interview is reversed by the Regional Director, the applicant's selection shall be effective, but if such action of the Board is upheld by the Regional Director, the farm unit selected by this applicant will become available for selection by qualified applicants who have not exercised their right to select.

If any of the farm units listed in this announcement remain unselected after all qualified applicants whose names were selected in the drawing have had an opportunity to select a farm unit, and if additional applicants remain in the First Priority Group, the Board will follow the same procedure outlined in section 10 of this announcement in the selection of additional applicants from this group.

If any of the farm units remain unselected after all qualified applicants in the First Priority Group have had an opportunity to select a farm unit, the Board will follow the same procedure to select applicants from the Second Priority Group, and they will be permitted to exercise their right to select a farm unit in the manner prescribed for the qualified applicants from the First Priority Group.

Any farm units remaining unselected after all qualified applicants in the Second Priority Group has had an opportunity to select a farm unit will be offered to applicants in the Third Group in the order in which their applications were filed, subject to the determination of the Board, made in accordance with the procedure prescribed herein, that such applicants meet the minimum qualifications prescribed in this announcement.

If any farm units offered by or under this announcement remain unsold for a period of two years following the date of this announcement, the District Manager, Columbia River District, Bureau of Reclamation, may sell, lease or otherwise dispose of such units to qualified applicants without regard to the provisions of section 10 of this announcement.

SEC. 14. *Failure to select.* If any applicant refuses to select a farm unit or fails to do so within the time specified by the Board, such applicant shall forfeit his position in his priority group and his name shall be placed last in that group.

PURCHASE OF SELECTED UNIT

SEC. 15. *Execution of purchase contract.* When a farm unit is selected by an applicant as provided in section 13 of this announcement, the District Manager will promptly give the applicant a written notice confirming the availability to him of the unit selected and will furnish the necessary purchase contract, together with instructions concerning its execution and return. In that notice the District Manager will also inform the applicant of the amount of the irrigation charges assessed by the South-Columbia Basin Irrigation District or, if such charges have not been assessed, of an estimate of the amount of the charges for the first year of the development period, to be deposited with the District Manager.

If the purchase is made subsequent to April 1 of any year following the first year of the development period, a deposit will be required to cover the payment of water charges for the next full irrigation season following the purchase.

SEC. 16. *Terms of sale.* Contracts for the sale of farm units pursuant to this announcement will contain, among others, the following principal provisions:

a. *Down payment.* An initial or down payment of not less than 20 percent of the purchase price of the lands being purchased from the United States will be required. Larger proportions, or the entire amount of the price, may be paid initially at the purchaser's option.

b. *Schedule for payment of balance; interest rate.* If only a portion of the purchase price is paid initially the remainder will be payable within a period of 20 years following the date of the contract. No payments on the principal, except the down payment, will be required during the first three years and the District Manager may postpone such payments for as long as the first five years of the contract. Interest on the unpaid balance at the rate of three percent per annum, however, will be payable annually. When payments on the principal are resumed, they will be payable each year. The schedule of principal payments, which will be established by the District Manager, will provide for relatively small payments during the first years and larger payments during the later years of the contract period. Payment of any or all installments, or any portion thereof, may be made before their due dates at the purchaser's option.

c. *Development requirements.* In order that the irrigable area of the entire farm unit shall be developed with reasonable dispatch, each purchaser will be required, as a minimum, to clear, level, irrigate, and plant to crops by the end of each of the calendar years indicated below, and to maintain in crops thereafter, the following percentages of irrigable land as tentatively or finally classified:

Size of farm unit in irrigable acres	Percentage of land classified tentatively or finally as irrigable be be developed by end of each year. (Period will begin with year of purchase if contract is executed and water is available on or before May 1 of that year; otherwise period will begin with the next calendar year.)			
	Second year	Third year	Fourth year	Fifth year
10 to 40	75	----------	----------	----------
41 to 60	50	75	----------	----------
61 to 80	50	65	75	----------
81 to 100	40	60	65	75
101 to 160	35	50	65	75

d. *Residence requirements.* A major objective of the settlement program for the Columbia Basin Project is to assist and encourage the permanent settlement of farm families. In keeping with this objective, each purchaser will be required to do the following with respect to

residence: (1) Within one year from the date of his contract, or within one year from the date that water is available to the irrigation block in which the farm unit is located, whichever is later, to initiate residence by actually moving onto the unit, such residence to be maintained by living thereon for not less than 12 months within an 18-month period following the initial date of residence, and (2) before receiving title to the unit under the purchase contract, to establish a permanent and habitable dwelling on the unit. The time for compliance with the initiation of residence may be extended by the District Manager for periods of as long as six months, upon his determination that an extension is necessary to avoid undue hardship to the purchaser and that it will not be detrimental to the orderly development of the irrigation block. The latest permissible date for initiating residence, however, will not be extended for more than one year in addition to the one-year period specified above. In extraordinary situations, the requirements under (1) and (2) above may be waived entirely upon the determination by the Regional Director, after recommendation by the District Manager, that such waiver will be in the interest of orderly development of the block. Any such waiver, however, shall be conditioned on the requirement that the purchaser reside close enough to his unit to permit him to develop it through his own efforts.

e. *Speculation and landholding limitations.* Purchase contracts and deeds covering farm units offered by this announcement will include provisions governing (1) maximum permissible sizes of holdings of irrigable land; (2) continued conformance of land to the area and boundaries of the farm unit plat for the block; (3) prices at which land can be resold during a period of five years following the date on which water is made available to the irrigation block; (4) disposal of land should it become excess at any time; and (5) limitations as to total area that may be operated on the project whether as lessee or as owner or both.

f. *Copies of contract form.* The terms listed above, and all other standard contract provisions, are contained in the purchase contract form, copies of which may be obtained by writing to the Bureau of Reclamation, Ephrata, Washington.

IRRIGATION CHARGES

SEC. 17. *Water rental charges.* During the irrigation season of 1954, while some construction activities will be continuing and the system is being tested, it is expected that water will be furnished on a temporary rental basis to those desiring it. The terms of payment, which will be at a fixed rate per acre-foot of water used, will be announced by the Regional Director before the beginning of the irrigation season.

SEC. 18. *Development period charges.* Pursuant to the provisions of the repayment contract of October 9, 1945, between the United States and the South-Columbia Basin Irrigation District in the Columbia Basin Project, the Secretary of the Interior will announce a development period of ten years during which time payment of construction charge installments will not be required. This period probably will commence with the calendar year 1955. During the development period, water rental charges will average an estimated $5.50 per year for each irrigable acre as tentatively or finally classified. This figure is preliminary and subject to change because all the data needed to fix the charges are not available nor can they be obtained now. In any event, there will be a minimum charge per farm unit each year whether or not water is used. A notice establishing the details of the plan to be followed and announcing charges and governing provisions for the first year of the development period will be issued prior to January 1 of that year, by the Regional Director, who has the responsibility for fixing charges.

The present plans of the Regional Director are (a) to vary the minimum charge according to the anticipated relative repayment ability of the various land classes; (b) to provide for a small minimum charge for the first year and to increase it each year thereafter so that the charge for the tenth year will be approximately equal to the combined construction and operation and maintenance charge for the following year; and (c) to charge for water in excess of the amount furnished for the minimum charge on an acre-foot basis. The minimum charge will entitle each user to a quantity of water to be specified by the Regional Director, varying with the water requirement classification of the land and the size of the farm unit.

In addition to the water rental charges, the Irrigation District will levy an additional charge to cover administrative costs and probable delinquencies in collections.

SEC. 19. *Construction period repayment charges—a. Operation and maintenance charges.* After the development period has ended, water users will pay a charge for operation and maintenance of the project irrigation system which will be uniform for the irrigation blocks throughout the project. These charges may or may not be graduated among land classes. Assessment procedure will be left for the Irrigation District Board of Directors to determine, but, in any case, there will be an annual minimum charge per acre. In order to encourage careful use of water, this annual minimum charge will entitle the water user to one-half acre-foot of water per acre less than the amount of water normally required. The normal requirements for the various classes of land will be determined and announced as provided in the repayment contract with the South-Columbia Basin Irrigation District. Water in excess of the quantity covered by the minimum charge will be paid for on an acre-foot basis in accordance with an ascending, graduated scale.

b. *Construction charges.* The contract between the United States and the South-Columbia Basin Irrigation District requires the payment of construction charges for the project irrigation system during the forty years following the development period. The average construction charge per irrigable acre for the entire project will be $2.12 per year. Thus, the total construction charge payment will average $85 per irrigable acre, but that amount was predicated on an estimated total direct irrigation cost of not to exceed $280,782,180 as indicated by Article 6 of the repayment contract, an amount that it now appears is likely to be exceeded. The contract further provides that construction charges shall be graduated according to the relative repayment ability of the land; consequently, the charge per irrigable acre will be larger for the better lands than for the poorer lands. This allocation of construction charges by classes of land will be made as soon as practicable.

DOUGLAS MCKAY,
Secretary of the Interior.

[F. R. Doc. 53-2635; Filed, Apr. 1, 1953; 8:45 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 54-210]

SOUTHERN NATURAL GAS CO. AND ALABAMA GAS CORP.

SUPPLEMENTAL ORDER APPROVING PLAN AND RESERVING JURISDICTION

MARCH 27, 1953.

The Commission having issued its findings and opinion and order on March 4, 1953, approving a plan, as amended, for compliance with section 11 (b) of the Public Utility Holding Company Act of 1935 (the "act") filed pursuant to section 11 (e) of the act by Southern Natural Gas Company ("Southern") and its subsidiary Alabama Gas Corporation ("Alabama")

Said plan providing, inter alia, that the common stock of Alabama held by Southern shall be distributed pro rata to the holders of common stock of Southern on a record date to be fixed by the Board of Directors of Southern at the rate of 0.24306 share of Alabama common stock for each share of Southern common stock, but that no fractions of shares shall be distributed and that the common stock of Alabama not distributed due to fractional shares shall be sold by Southern on or before the distribution date (but after the record date) or as soon as practicable after the distribution date, and that there shall be distributed as soon as practicable after such sale to each holder of common stock of Southern on the record date otherwise entitled to receive a fraction of a share of Alabama common stock an amount of cash equivalent to his pro rata share of the gross proceeds of sale;

Said order approving the plan having ordered and recited, inter alia, that the steps and transactions specified in the order and involved in the consummation of the plan, as amended, are necessary or appropriate to the integration or simplification of the holding company system of which Southern and Alabama are members, and are necessary or appropriate to effectuate the provisions of sec-

tion 11 (b) of the act, and are approved and authorized;

It appearing that the close of business on March 18, 1953, has been fixed by the Board of Directors of Southern as the record date for the determination of stockholders of Southern entitled to receive distribution of common stock of Alabama and/or cash in lieu of fractional share interests, and that the total number of shares of common stock of Alabama to be distributed to stockholders of Southern and the total number of shares of such stock to be sold to provide cash for distribution in lieu of fractions of shares have now been determined;

It further appearing that the Board of Directors of Southern, with the approval of the Commission, has selected and authorized Chemical Bank & Trust Company 30 Broad Street, New York 15, New York, to act as distribution agent to carry out the distribution of common stock of Alabama and the sale of residual shares of such stock and the distribution of the gross proceeds therefrom in lieu of the fractional share interests pursuant to the plan;

Southern and Alabama having requested the Commission to issue an appropriate order which specifies and itemizes the total number of shares of common stock of Alabama to be distributed and the total number of shares to be sold, respectively, by Chemical Bank & Trust Company as distribution agent; and

The Commission having considered the request of Southern and Alabama and deeming it appropriate and in the public interest that such request be granted and that the jurisdiction heretofore reserved to enter such other or further orders conforming to the requirements of Supplement R and section 1808 (f) of the Internal Revenue Code, as amended, as may be necessary or appropriate should be released to the extent indicated below:

It is hereby ordered and recited, And the Commission finds that the steps and transactions itemized below involved in the consummation of the plan, as amended, are necessary or appropriate to the integration or simplification of the holding company system of which Southern and Alabama are members, and are necessary or appropriate to effectuate the provisions of section 11 (b) of the act and are hereby approved and authorized:

(1) The delivery by Southern to the transfer agent of Alabama of certificates for 831,765.48 shares of Alabama common stock (of the par value of $2.00 each) endorsed in blank;

(2) The issuance by the transfer agent of Alabama of new certificates evidencing said 831,765.48 shares of common stock of Alabama, and more particularly (a) the issuance in the name of each holder of record of shares of common stock of Southern (of the par value of $7.50 each) on the record date of the close of business March 18, 1953, fixed by the Board of Directors of Southern of a certificate for such number of full shares of said common stock of Alabama as such stockholder of Southern shall be entitled to receive under the terms of the plan approved herewith, the total number of shares evidenced by such certificates to be 824,015 and (b) the issuance in the name of Chemical Bank & Trust Company or its nominee of a certificate or certificates for such shares of common stock of Alabama as remain after the issuance of the foregoing certificates in the names of such holders of common stock of Southern, the total number of shares evidenced by such certificate or certificates to be 7,750.48;

(3) The delivery to Chemical Bank & Trust Company by the transfer agent of Alabama of the new certificates evidencing said 831,765.48 shares of common stock of Alabama;

(4) The sale by Chemical Bank & Trust Company of the shares of common stock of Alabama not issued in the names of holders of common stock of Southern and the delivery by Chemical Bank & Trust Company to the purchaser of the certificate or certificates evidencing such shares;

(5) The distribution by Chemical Bank & Trust Company to holders of common stock of Southern of (a) the certificates evidencing the full shares of common stock of Alabama to which such holder shall be entitled under the plan, and (b) in lieu of any fraction of a share of Alabama common stock to which such holder would otherwise be entitled, an amount of cash equivalent to his pro rata share of the gross proceeds of the foregoing sale of the shares of common stock of Alabama.

It is further ordered, That jurisdiction be, and hereby is, reserved to enter such other or further orders conforming to the requirements of Supplement R of Chapter 1 and section 1808 (f) of Chapter 11 of the Internal Revenue Code, as amended, as may be necessary or appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 53-2762; Filed, Apr. 1, 1953; 8:48 a. m.]

[File No. 70-3024]

BLACKSTONE VALLEY GAS AND ELECTRIC CO. AND EASTERN UTILITIES ASSOCIATES

NOTICE OF FILING REGARDING PROPOSED ISSUANCE AND SALE OF PRINCIPAL AMOUNT OF BONDS AND PLEDGING OF ASSETS AND PORTFOLIO SECURITIES

MARCH 26, 1953.

Notice is hereby given that an application-declaration has been filed with this Commission, pursuant to the Public Utility Holding Company Act of 1935 (the "act") by Eastern Utilities Associates ("EUA") a registered holding company, and its public-utility subsidiary company, Blackstone Valley Gas and Electric Company ("Blackstone") EUA owns 99.2 percent of the common stock of Blackstone. EUA and Blackstone have designated sections 6 and 12 of the act and Rules U-23, U-42 (b) (2), U-44 and U-50 thereunder as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than April 10, 1953, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said application-declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after April 10, 1953, said application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act or the Commission may exempt such transactions as provided in Rules U-20 (a) and U-100 thereof.

All interested persons are referred to said application-declaration, which is on file in the office of this Commission, for a statement of the transactions therein proposed, which are summarized as follows:

Blackstone proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, $5,800,000 principal amount of First Mortgage and Collateral Trust Bonds, __ Percent Series, due 1983, and proposes to pledge as security therefor all of its assets (with certain specified exceptions) and its investments in the stock and debt securities of Montaup Electric Company, a subsidiary of Blackstone. The bonds will be issued under an Indenture of Mortgage and Deed of Trust, dated November 1, 1943, as supplemented by a First Supplemental Indenture, to be dated as of March 1, 1953, between Blackstone and State Street Trust Company Boston, Massachusetts, and Howard B. Phillips as Trustees. The proceeds from the sale of the bonds will be used by Blackstone to repay without premium, its short-term unsecured note indebtedness presently outstanding in the aggregate principal amount of $5,200,000 and to provide funds for the extension and improvement of its facilities.

The total expenses of Brockton in connection with the proposed issuance of the bonds are estimated in the application-declaration at $49,000. It is stated in the application-declaration that the proposed sale of bonds is subject to the jurisdiction of the Public Utility Administrator of the Department of Business Regulation of the State of Rhode Island, the State commission of the State in which Blackstone is organized and doing business. It is further stated that no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 53-2764; Filed, Apr. 1, 1953; 8:49 a. m.]

[File No. 70-3026]

CENTRAL AND SOUTH WEST CORP. AND SOUTHWESTERN GAS AND ELECTRIC CO.

NOTICE OF FILING REGARDING ISSUANCE AND SALE BY A SUBSIDIARY OF ITS COMMON STOCK TO ITS PARENT

MARCH 26, 1953.

Notice is hereby given that Central and South West Corporation ("Central") a registered holding company, and Southwestern Gas and Electric Company ("Southwestern") a public utility subsidiary thereof, have filed a joint application-declaration with the Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") and have designated sections 6 (a) 7, 9 (a) 10, and 12 (f) thereof and Rule U-50 (a) (3) promulgated thereunder as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than April 14, 1953 at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said application-declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after April 14, 1953, said application-declaration, as filed or as amended, may be granted and permitted to become effective as provided by Rule U-23 of the rules and regulations promulgated under said act, or the Commission may exempt such transaction as provided in Rule U-20 (a) and Rule U-100 thereof.

All interested persons are referred to said application-declaration, which is on file in the offices of this Commission, for a statement of the transactions therein proposed, which are summarized as follows:

Southwestern proposes to issue and sell, and Central proposes to acquire, 100,000 shares of Southwestern's common stock ($10 par value per share) for the sum of $1,000,000 in cash. Southwestern will use the proceeds to be received to finance, in part, its construction program.

Southwestern states that it will make application to the Arkansas Public Service Commission for approval to issue and sell the 100,000 shares of its common stock.

It is requested that the Commission's order herein become effective upon issuance.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 53-2763; Filed, Apr. 1, 1953; 8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 27932]

WHEAT BRAN AND SHORTS FROM PORT OF PALM BEACH, FLA., TO LAKELAND, ORLANDO, AND TAMPA, FLA.

APPLICATION FOR RELIEF

MARCH 30, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for the Atlantic Coast Line Railroad Company and other carriers named in the application.

Commodities involved: Wheat bran and wheat shorts, carloads.

From: Port of Palm Beach, Fla., (on import traffic)

To: Lakeland, Orlando and Tampa, Fla.

Grounds for relief: Carrier competition, circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, ICC No. 1166, supl. 100.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD, *Acting Secretary.*

[F. R. Doc. 53-2769; Filed, Apr. 1, 1953; 8:49 a. m.]

[4th Sec. Application 27933]

FERROUS AMMONIUM SULPHATE FROM MARIETTA, OHIO, TO THE SOUTH

APPLICATION FOR RELIEF

MARCH 30, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. C. Schuldt, Agent, for carriers parties to schedule listed below.

Commodities involved: Ferrous ammonium sulphate (fertilizer grade), carloads, also additional fertilizer and fertilizer materials upon which the same rates may be established.

From: Marietta, Ohio.

To: Points in southern territory.

Grounds for relief: Carrier competition, circuitous routes, to maintain rates constructed on short line distance formula.

Schedules filed containing proposed rates: C. W. Boin, Agent, ICC No. A-816, supl. 86.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Acting Secretary.*

[F. R. Doc. 53-2770; Filed, Apr. 1, 1953; 8:49 a. m.]

[4th Sec. Application 27934]

RESINS, SYNTHETIC, FROM ORANGE, TEX., TO WEST FITCHBURG, MASS.

APPLICATION FOR RELIEF

MARCH 30, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for carriers parties to schedule listed below.

Commodities involved: Resins, synthetic, carloads.

From: Orange, Tex.

To: West Fitchburg, Mass.

Grounds for relief: Carrier competition, circuitous routes, to maintain rates constructed on a short-line distance formula.

Schedules filed containing proposed rates: F. C. Kratzmeir, Agent, ICC No. 3967, supl. 214.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary

relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,
Acting Secretary.

[F. R. Doc. 53-2771; Filed, Apr. 1, 1953; 8:49 a. m.]

[4th Sec. Application 27935]

SOYBEAN CAKE AND MEAL FROM NORTHEASTERN ARKANSAS TO POINTS IN SOUTHWESTERN TERRITORY

APPLICATION FOR RELIEF

MARCH 30, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by F C. Kratzmeir, Agent, for carriers parties to schedule listed below.

Commodities involved: Soybean cake and meal, carloads.

From: Points in northeastern Arkansas.

To: Points in southwestern territory (on traffic accorded transit privileges at Decatur or Taylorville, Ill.)

Grounds for relief: Carrier competition, circuitous routes, to maintain grouping.

Schedules filed containing proposed rates: F C. Kratzmeir, Agent, ICC No. 3972, supl. 21, Wabash Railroad Company ICC No. 7681, supl. 18.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,
Acting Secretary.

[F. R. Doc. 53-2772; Filed, Apr. 1, 1953; 8:50 a. m.]

[4th Sec. Application 27936]

GRAIN FROM ARKANSAS, MISSOURI, TENNESSEE, AND ILLINOIS TO KANSAS

APPLICATION FOR RELIEF

MARCH 30, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by F C. Kratzmeir, Agent, for St. Louis-San Francisco Railway Company, Missouri-Kansas-Texas Railroad Company and Atchison, Topeka and Santa Fe Railway Company.

Commodities involved: Grain, grain products and related articles, carloads.

From: Points in Arkansas and Missouri, also Memphis, Tenn., and East St. Louis, Ill.

To: Points in Kansas.

Grounds for relief: Carrier competition, circuitous routes.

Schedules filed containing proposed rates: F C. Kratzmeir, Agent, ICC No. 3938, supl. 19 F C. Kratzmeir, Agent, ICC No. 3939, supl. 27 Atchison, Topeka and Santa Fe Railway Company I. C. C. No. 14663, supl. 24.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,
Acting Secretary.

[F. R. Doc. 53-2773; Filed, Apr. 1, 1953; 8:50 a. m.]

[4th Sec. Application 27937]

PROPORTIONAL GRAIN RATES FROM KANSAS CITY, MO.-KANS., TO GULF PORTS

APPLICATION FOR RELIEF

MARCH 30, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by The Chicago, Rock Island and Pacific Railroad Company, for itself and on behalf of carriers parties to its tariff ICC No. C-13346.

Commodities involved: Grain, grain products and related articles, carloads.

From: Kansas City, Mo.-Kans. (applicable on traffic originating at Mulberry, Mo.-Kans., Pittsburg, Kans., and Asbury, Mo.)

To: Gulf Ports, for export.

Grounds for relief: Carrier competition, circuitous routes.

Schedules filed containing proposed rates: Chicago, Rock Island and Pacific Railroad Company ICC No. C-13346, supl. 34.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,
Acting Secretary.

[F. R. Doc. 53-2774; Filed, Apr. 1, 1953; 8:50 a. m.]